



BANKING RE-IMAGINED

ANNUAL REPORT 2018-19



YES BANK LIMITED

Awards and Recognitions



BANKING RE-IMAGINED

In its 15 years tenure, YES BANK has evolved into a national champion in areas across innovation, governance, inclusion and financial excellence. As India's first and only Greenfield Bank, YES BANK has now successfully emerged as one of the top brands of the country. A pivotal focus area of the Bank continues to be its A.R.T (Alliances & Relationships with underlying Technology) and Future Now philosophies, key to YES BANK's ongoing growth. The Bank will continue to leverage its leadership in technology-driven innovation, knowledge banking, responsible banking ethos and skilled human capital to pave the way for a new era in the 'Future of Banking'.

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View our Annual Report online

We provide our annual report online, which allows us to reduce the amount of paper we print and distribute.

At YES BANK, our differentiation begins with a single word – YES.

YES BANK, India's fourth largest private sector bank is a high quality, customer centric, service driven Bank catering to the Future Businesses of India. Since inception in 2004, YES BANK has grown into a 'Full Service Commercial Bank' providing complete range of products, services and digital offerings, catering to corporate, MSME & retail customers. YES BANK operates its Investment banking, Merchant banking & Brokerage businesses through YES SECURITIES and its Mutual Fund business through YES Asset Management (India) Limited, both wholly-owned subsidiaries of the Bank.

YES BANK has a pan-India presence across all 29 states and 7 Union Territories in India with a footprint of

1,120

Branches



1,450+

ATMs



including an IBU at GIFT City, and a Representative Office in Abu Dhabi.



VISION

YES BANK is committed to its vision of 'Building India's Finest Quality Large Bank of the World in India' having evolved its organizational ethos into the 'Professionals' Bank of India'.



BANKING RE-IMAGINED



Everything begins with an idea – Earl Nightingale. YES BANK's started with a vision of building a world-class bank in India from ground zero, assembled brick-by-brick by a robust team of highly trained professionals, catering to the dreams of New India.

Commencing in 2004, the journey has been truly remarkable for India's first and only Greenfield Bank, YES BANK. In its lifecycle, the Bank has grown manifold from being the largest small private sector bank in 2010 to being the largest medium sized private sector bank in 2015 to one of the fastest growing large banks in 2018 in a fairly short span of eight years.

Under the aegis of the Bank's astute, tireless and dynamic leadership, the Bank has built a vibrant, aspirational and highly successful brand. The Bank has striven hard to be ahead of the curve, creating simple solutions and a robust ecosystem for clients to maximize their business potential and improve quality of lives for the masses, especially around financial inclusion, civic betterment and technologically empowering businesses.

YES BANK, now in its teen years, believes that it has the spirit, character and vision to evolve into a national champion that would define industry standards across innovation, governance, inclusion and financial excellence.

No other sector of the economy is as interdependent as banking is and the Bank understands the need to, in the new world, restore, renew and rebuild relationships with the entire ecosystem.

In ways more than one, the future of banking has arrived and at present the industry is going through its 'uber moment'. The influx of superior edge

technology and attractive demographic factors cuts across the value chain and impacts the way banks conduct their businesses. Given the speed of technology driven disruptions in the Banking sector, the Bank had identified early on, the need to transform and therefore re-imagine banking altogether for this new, connected world by offering a slew of new-age services to customers. YES BANK has taken extensive strides towards broadening horizons and inching closer towards using data engineering and data science by increasingly using tools like predictive analytics to offer focused services to the customers.

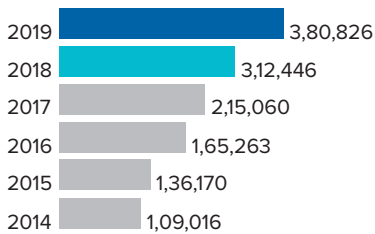
With technology touching every aspect in our lives, the Bank remains steadfast in ensuring a re-imagined and reinvigorated transformation journey.

Therefore, the Bank's transition into the most crucial period in its growth phase will now be powered by Future Ready initiatives that the Bank has been meticulously building for the last decade or so through the A.R.T (Alliances & Relationships with underlying Technology) and Future Now philosophies.

As the Bank moves forward, Digital and technology driven innovation, Knowledge Banking, Responsible Banking and a focus on Future Ready Human Capital – values that have held the Bank in good stead over the years, will continue to be its growth engines and help steer the Bank in its large phase of growth.

Financial Highlights

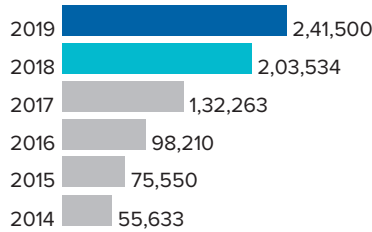
TOTAL ASSETS (₹ in Crore)



5 year CAGR **28.4%**

Healthy momentum sustained in Balance sheet growth

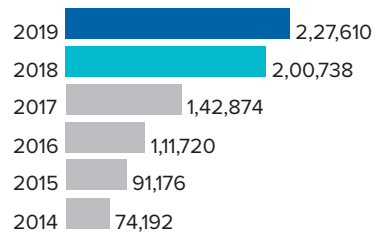
ADVANCES (₹ in Crore)



5 year CAGR **34.1%**

More than 40% contribution to incremental growth from Retail

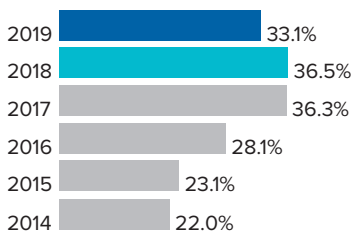
DEPOSITS (₹ in Crore)



5 year CAGR **25.1%**

Deposits growth faster than the industry

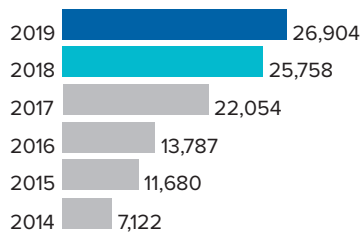
CASA RATIO (In %)



5 year CAGR **35.7%**

CASA CAGR of >35% - higher than Balance sheet and deposit growth

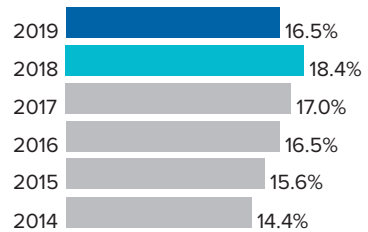
SHAREHOLDERS FUNDS (₹ in Crore)



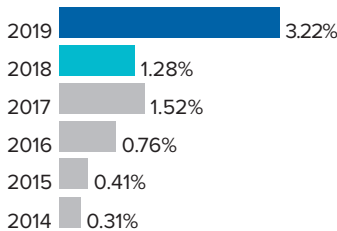
5 year CAGR **30.5%**

Internal accruals - 5 year CAGR, higher than Balance sheet growth

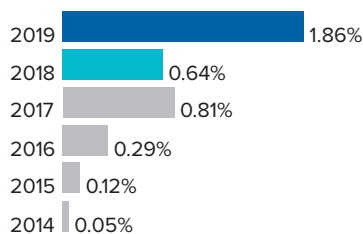
CAPITAL ADEQUACY RATIO (In %)

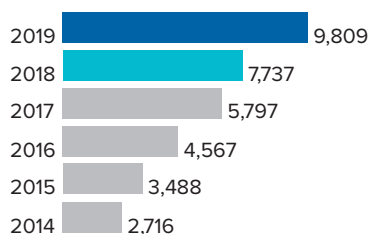
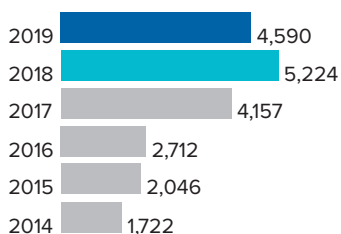
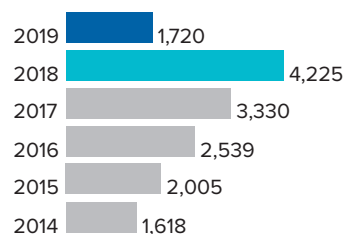
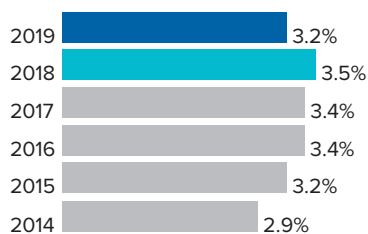
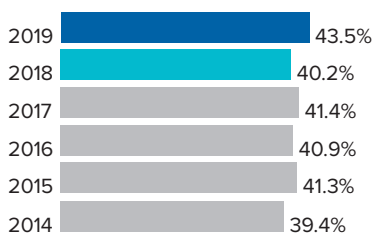
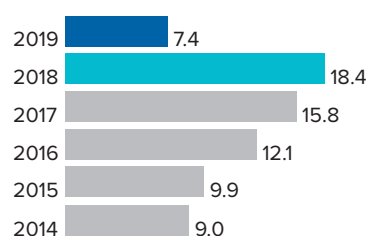
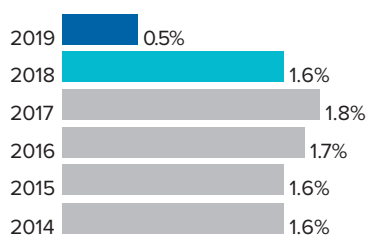
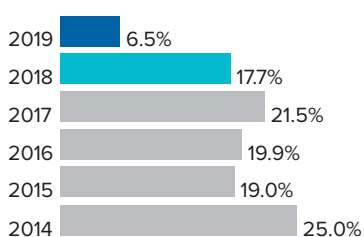


GROSS NPA (In %)



NET NPA (In %)



NET INTEREST INCOME (₹ in Crore)5 year CAGR **29.3%**NII Growth on back of
growth in Advances**NON INTEREST INCOME** (₹ in Crore)5 year CAGR **21.7%**Healthy growth across transactional
Corporate, Trade, CMS and
Granular Retail Fees**NET PROFIT** (₹ in Crore)FY2018-19 Net Profit Impacted by
contingent provisioning**NET INTEREST MARGIN** (In %)FY 2018-19 Core NIMs stable; headline
impacted by interest reversals from NPA**COST TO INCOME RATIO** (In %)Sustained investments in Branches,
People and Technology**BASIC EARNINGS PER SHARE** (₹)**RETURN ON ANNUAL
AVERAGE ASSETS** (In %)Adjusted RoA for FY 2018-19 at 0.9%
prior to taking into consideration
contingent provisioning**RETURN ON EQUITY** (In %)Adjusted RoE for FY 2018-19 at 11.4%
prior to taking into consideration
contingent provisioning

Message from the Chairman

DEAR SHAREHOLDERS,

The global economic indicators remain largely favorable and while growth is moderating, this offers a great opportunity for economies to boost human capital, increase opportunities for investments, and promote trade integration.



FY 2019-20 will be the year when India's strong domestic fundamentals will insulate it from a global environment fraught with uncertainty and volatility. The overall economic outlook is positive. India is in a state of consolidation with strong transitional undercurrents at various cross sections of the economy. It has peaked in the BFSI sector and the health of the sector & the economy are expected to only better post the progressive changes taking place.

The year 2018 was a year of heavy lifting for the Banking sector with the sector undergoing major transformational changes.

In order to support the growth in the economy, the banking sector is set to keep pace with it with renewed vigour. Regulatory measures such as the creation of critical institutional architecture in the form of Central Repository of Information on Large Credits (CRILC), Insolvency and Bankruptcy Code (IBC) and the National Company Law Tribunal (NCLT), has started to deliver on asset quality resolution, with unprecedented speed in judgments seen in FY 2018-19. With strong economic fundamentals, changes in the regulatory climate and transformational technologies more accessible and, powerful than ever before, there is possibly no better time than now for revival of the sector.

In YES BANK's 15 years of institutional excellence, the Bank has strategically evolved into a digitally savvy Bank and incorporated technology in its everyday operations. The Bank has successfully adopted the mantra of collaboration and co-creation with Fintech startups for its technology led innovations.

With investments in robust digital ecosystems such as Payments, API, AEPS & Blockchain technologies through long-term partnerships, YES BANK is poised to be the cutting edge Digital Bank in India.

The Bank continued to receive accolades from prestigious national and international bodies for its exemplary performance on multiple parameters encompassing Business outcomes, Sustainability, Innovation, Technology and Human Capital among others.

During the year under review, the Board of Directors continued to extensively engage with the top and Senior Management leaders of the Bank during various Board/committee meetings. Such engagements have provided the Board with an opportunity to understand the strength and depth of the Bank's leadership and guide them further to ensure long-term sustenance of business strategy.

During the year, there have been some changes at the Board level of the Bank. The Board of Directors represents seasoned leaders with proven credentials, and represents critical Committees on the Board in accordance with their areas of expertise. The current Board of the

Bank comprises of 12 Directors, including 7 Independent Directors, strengthening the Bank's governance commitment.

Mr. Rana Kapoor demitted the office of Managing Director and CEO of the Bank w.e.f. February 1, 2019. I appreciate the contribution of Mr. Rana Kapoor for his leadership with active support, guidance, direction and supervision of the Board of Directors, due to which the Bank has grown to become the Fourth largest Private sector Bank with Total Assets exceeding ₹3.80 lakh crore. The Bank, over the last 15 years of performance, has a demonstrated track record of consistent delivery of business & financial outcomes across all critical parameters such as capital adequacy, profitability, steady growth etc.

During the period from February 01, 2019 to February 28, 2019, Mr. Ajai Kumar held charge as interim Managing Director & CEO of the Bank. I appreciate the contribution made by him during his tenure.

Mr. Ravneet Gill took charge as Managing Director and CEO of the Bank from March 1, 2019. With an inspiring past and strong present, I am sure the Bank will continue its stellar performance towards the next phase of growth in 'Building the Finest Quality Large Bank of the World in India' under the new leadership.



BRAHM DUTT
Chairman

Managing Director & CEO's Communique

DEAR SHAREHOLDERS,

I am delighted to engage with you for the first time in my role as MD & CEO of YES BANK and, on behalf of the institution, take this opportunity to thank you for your support which is a matter of great strength for us.



Over the last year, the economic and business landscape has undergone substantial changes, some of which are still gradually unfolding.

For the Indian economy, the global economic and financial market impact was profound in the first half of 2018-19. The country was confronted with the cumulative impact of a strengthening US Dollar and rising crude oil prices until early October 2018. This resulted in a sharp adjustment in Rupee amidst volatile trading in emerging market currencies. To ward off inflationary risks, the Monetary Policy Committee of the Reserve Bank of India (RBI) hiked the benchmark repo rate by a total of 50 basis points between June and August 2018, while also shifting its policy stance to 'calibrated tightening' from 'neutral'. However, these negative externalities started receding thereafter with escalating concerns on global economic growth and geopolitical interventions helping to provide a backstop to the external contagion from turbulence in currency and commodity markets. This created the backdrop for the RBI to change its monetary policy course back to neutral (aided by deflationary conditions in food items) in February 2019, followed by a cumulative 50 basis point cut in the repo rate by April 2019. With retail inflation expected to stay within RBI's mandated target of 4% for the third consecutive year in 2019-20, I expect the central bank to opt for further incremental monetary and liquidity easing.

A calibrated domestic policy easing would be a sine qua non for guarding against the cyclical slowdown in global economic growth (amplified by the uncertainty on global trade protectionism), besides providing a source of support to sectors (like Automobile, Housing, Consumer Durables, etc.) that came under some communicable stress from tightening of liquidity and financing conditions for the NBFC (Non-Banking Financial Companies) sector in the third quarter of 2018-19 and which caused a fair degree of disruption in domestic financial markets.

Evolving Economic Microstructure

Meanwhile, the microstructure of the Indian economy continues to evolve with noticeable and transformational changes, in some cases. At a broader level, India has leapfrogged to secure a rank of 77 in World Bank's Doing Business Assessment Report, from 100 earlier, thereby making it one of the fastest improvers globally on the metric of 'ease of doing business'. Further, the IBC (Insolvency and Bankruptcy Code) and the GST (Goods and Services tax) have started to transform the 'way of doing business' in India by altering the incentive structures and bringing about a paradigm shift in commercial and economic behaviour of all key stakeholders.

Opportunities and Challenges

From a banking perspective, the landscape is getting intensive and exciting. With the balance between creditor and debtor being restored by the IBC framework, unlocking of stuck investments has already started witnessing a churn.

The combination of GST and Digitization has started ushering in the desirable drive of 'Formalization through Financialization' of the economy and opens up exciting opportunities for digital forays.

Bank based payments and settlements have doubled in the last five years. With the advent of the JAM (Jan Dhan, Aadhar, and Mobile) Trinity, financial transactions will undergo a paradigm shift in coming years. A case in point is the recent announcement of transfer payment by the central and few state governments to support the rural economy. The present dispensation is completely different from earlier policy efforts of supporting rural demand as this would predominantly involve cash transfers via designated bank accounts. Overtime, the combination of Jan Dhan, MUDRA, and such government transfer payments would help in inculcating and nurturing banking behaviour.

Juxtaposed against this evolving trend is the rise in millennials, who are fast moving, digital savvy, and highly aspirational. YES BANK has demonstrated organizational agility in catering to such diverse and evolving banking requirements.

Together with India Stack and cutting edge innovations from fintechs, your Bank has ushered in an irreversible transformation of banking and financial industry in terms of customer experience and overall productivity.

At a macro level, the risk of global trade war and Brexit presents risks, many of which are hard to quantify at this stage, which need careful and prompt responses from policymakers. At a micro level, the banks will constantly need to assess the

risk-reward structure, and manage market, credit, technology and operational risks in a fast changing environment. I would like to assure you this has the highest attention of the senior leadership team of the Bank.

Staying Ahead

As you are aware, the Bank has undergone a leadership transition. However, it is most gratifying to observe that the YES BANK brand remains a trusted name and partner – owing mainly to the trust that our customers & stakeholders have reposed. We are thankful for this privilege and stand deeply committed to restoring, renewing and rebuilding our relationships with the passion that has been the hallmark of this young & dynamic institution.

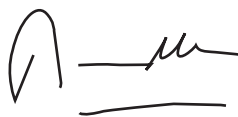
My colleagues and I deeply appreciate the steadfast support of all our shareholders who stood by us and hope you continue to do so as we embark upon an exciting, transformational and inspiring new ascent. The key tenets of this phase of our journey shall be the following:

- ▲ Create a more granular franchise and a balanced earnings mix between wholesale & retail
- ▲ Strong & sustained liabilities growth focus
- ▲ Build & monetise new businesses through digital innovation
- ▲ Conform to the highest standards of risk management, compliance & governance
- ▲ Reinforce commitment to responsible banking & social engagement

You'll be pleased to learn that the building blocks for the execution of this strategy are already in place and monetising it does not entail a long build out phase or large investment. This will bolster our earnings with a growing base of diversified, annuity revenues and add to the solidity of our businesses and make us more meaningful to our growing universe of clients. We have every reason to feel most optimistic about the future.

While challenges exist, the growth opportunity for financial services remains most compelling. And it is my strong belief that we are well poised to harness the same.

With your continued support, I am fully confident that we can accomplish the ambitious goals that we set for ourselves and come to be recognised as not just a successful, leading bank, but also as one of the country's most admired and valuable companies.



RAVNEET GILL
Managing Director & CEO



TOWARDS A SUSTAINABLE FUTURE



Our endeavor is to consistently engage and nurture communities and positively impact lives of countless Indians with our diversified CSR interventions. These positive impact stories have been possible through various partnerships, thus creating an enabling ecosystem.

ENGAGING COMMUNITIES

- Access to safe & clean drinking water through water purification systems at 1005 railway stations and water ATMs at 7 community locations, dispensing over 61 million litres of water.
- Natural Capital Conservation awareness involving 760 corporates and 10,000+ nature enthusiasts.

ENGAGING YOUTH

- Transformation Series, India's biggest case study competition, engaged 16000+ student teams across India, fuelling innovative solutions to global sustainability challenges.
- Over 5000 students registered for YES Future Ready Scholarship Program, out of which 30 have been shortlisted as YES Future Ready Scholars for mentorship

ENGAGING MSMEs

- Promoting Energy Efficiency and Occupational Health & Safety among 49,700+ MSMEs, involving 87,600+ staff & workers.
- Up-skilling 11,600+ MSMEs with knowledge and capacity building workshops on pertinent business challenges like GST, financial and digital literacy, other environmental and social challenges.

ENGAGING STARTUPS

- Accelerating 19 social enterprises on tech solutions in 3 impact sectors: Agritech, Cleantech, Smart City - across energy, water, waste management, food tech, farm & supply chain tech, smart mobility and data & governance.
- Scaling the startups with 50 industry and Government partners, grant, mentorship and tech support.

Write to us at responsible.banking@yesbank.in to contribute towards a sustainable future and partner on high impact CSR projects.



1,120 Branches Pan India | **1,450+** ATMs | **21,000+** YES BANKers

YES BANK LIMITED: Regd. & Corporate Office: YES BANK Tower, IFC 2, 15 Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013, India | www.yesbank.in

Non-Executive Chairpersons



MR. BRAHM DUTT
(From January 11, 2019 – till present)



MR. ASHOK CHAWLA
(From October 30, 2016 – November 14, 2018)



MR. M. R. SRINIVASAN
(From June 27, 2013 – June 26, 2014)



MS. RADHA SINGH
(From October 30, 2014 – October 29, 2016)



MR. S. L. KAPUR
(From January 2009 – April 2012)



LATE MR. ASHOK KAPUR
(From September, 2004 – November 2008)

Past Managing Director & CEO



MR. AJAI KUMAR
(From February 1, 2019 – February 28, 2019)



MR. RANA KAPOOR
(From September 1, 2004 – January 31, 2019)

Board of Directors



MR. BRAHM DUTT

*Non-Executive Chairman
(w.e.f. January 11, 2019)*



MR. AJAI KUMAR

*Non-Executive Non
Independent Director*



MR. ANIL JAGGIA

*Additional Director (Independent)
(w.e.f. January 24, 2019)*



MR. MAHESWAR SAHU

*Additional Director (Independent)
(w.e.f. January 24, 2019)*



**LT. GENERAL (DR.) MUKESH
SABHARWAL (RETD.)**

Independent Director



DR. PRATIMA SHEOREY

Independent Director



MR. RAVINDER KUMAR KHANNA

*Additional Director (Non-Executive
Non Independent)
(w.e.f. April 26, 2019)*



MS. SHAGUN KAPUR GOGIA

*Additional Director (Non-Executive
Non Independent)
(w.e.f. April 26, 2019)*



**MR. SUBHASH
CHANDER KALIA**

*Non-Executive Non Independent
Director*



MR. THAI SALAS VIJAYAN

*Additional Director (Independent)
(w.e.f. December 3, 2018)*



**MR. UTTAM PRAKASH
AGARWAL**

*Additional Director (Independent)
(w.e.f. November 14, 2018)*



MR. RAVNEET GILL

*Managing Director & CEO
(w.e.f. March 1, 2019)*

Management Team



AJAY RAJAN
Group President



AMIT SUREKA
Group President



AMIT KUMAR
Group President



AMIT SANAN
Group President



ANUP PUROHIT
Group President



ARUN AGRAWAL
Senior Group President



ASEEM GANDHI
Group President



ASHISH AGARWAL
Senior Group President



ASIT OBEROI
Senior Group President



DEODUTTA KURANE
Senior Group President



DEVAMALYA DEY
Senior Group President



JYOTI PRASAD RATHO
Group President



KAPIL JUNEJA
Group President



**KUMAR
PADHMANABHAN**
Senior Group President



LATA PILLAI
Group President



NAMITA VIKAS
Group President



NEERAJ DHAWAN
Senior Group President



NIKHIL SAHNI
Group President



NIRAV DALAL
Senior Group President



**PARAG
GORAKSHAKAR**
Senior Group President



PUNIT MALIK
Senior Group President



R. RAVICHANDER
Group President



RAJ AHUJA
Senior Group President



RAJAN PENTAL
Senior Group President



RAJAT MONGA
Senior Group President



RITESH PAI
Group President



SANJAY NAMBIAR
Group President



SANJIV MISRA
Group President



SHUBHADA RAO
Group President



SUMIT GUPTA
Senior Group President



VINEET DHAR
Group President



VINOD BAHETY
Senior Group President



**SHIVANAND
SHETTIGAR**
*Group President and
Company Secretary*

SUSTAINABILITY REVIEW

Sustainability Disclosures

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Annual Business Responsibility Report (ABRR)

58



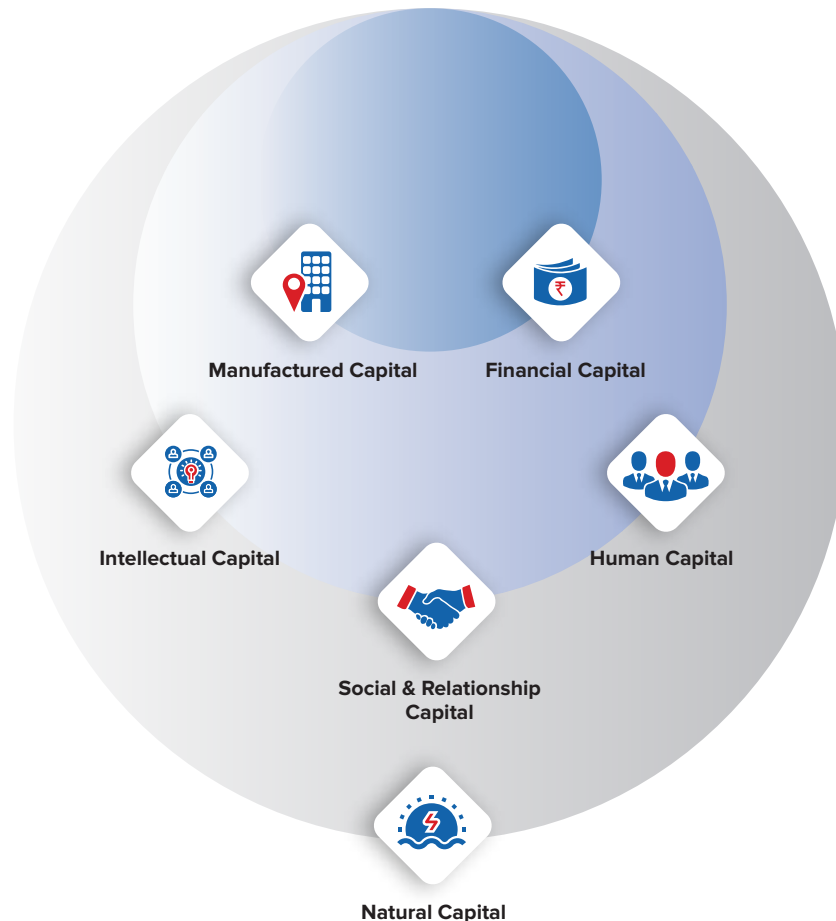
YES BANK's Triple Bottom Line Approach

Ever since its inception, YESBANK has focused on creating shared value, through its Responsible Banking ethos, in line with its vision of building the 'Finest Quality Large Bank of the World in India'. Over the years, the Bank is aligning its core strategy to the Sustainable Development Goals (SDGs), weaving sustainability principles into its business processes. The Bank endeavors to design innovative and sustainable pathways towards holistic value creation.

The Bank strives to address developmental challenges through accelerated innovation by action along economic, environmental and social priorities.

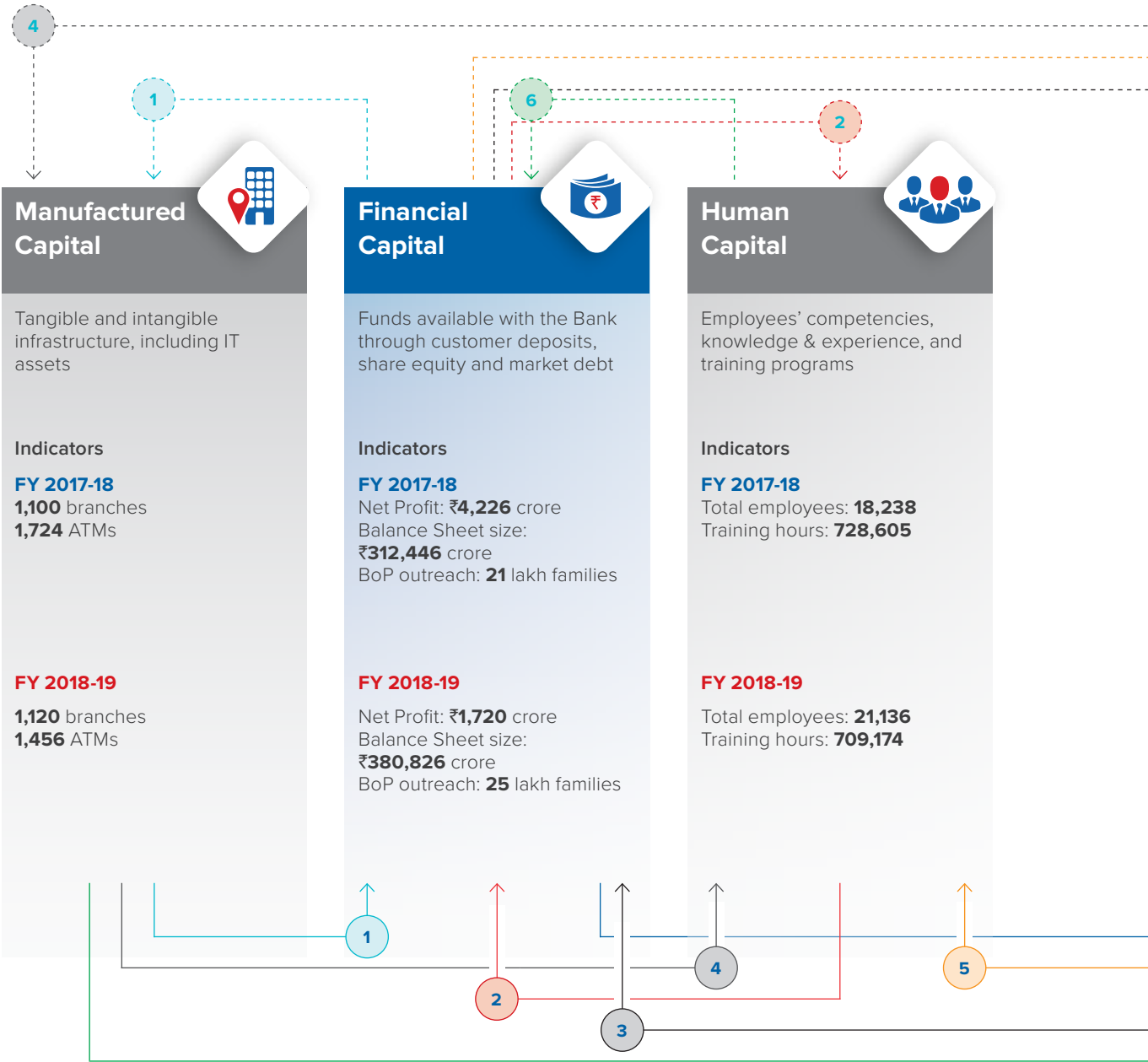
YES BANK shares a consolidated view of its performance on economic, environmental, and social parameters through this report. The report also shares the Bank's

approach to positively impact its stakeholders and augment the institutional excellence, achieved over the years. Since FY 2015-16, the Bank has adopted the Integrated Reporting framework of the International Integrated Reporting Council (IIRC), enabling it to disclose its value creation strategy, through resources and relationships that get used and affected by it. These are collectively referred to as 'the capitals' and comprise of (a) financial capital, (b) manufactured capital, (c) intellectual capital, (d) human capital, (e) social & relationship capital and (f) natural capital. Capitals are stocks of value that increase, decrease or transform through activities and outputs of the Bank. The report also explains how YES BANK interacts with the external environment and the capitals to create value over the short, medium and long term.

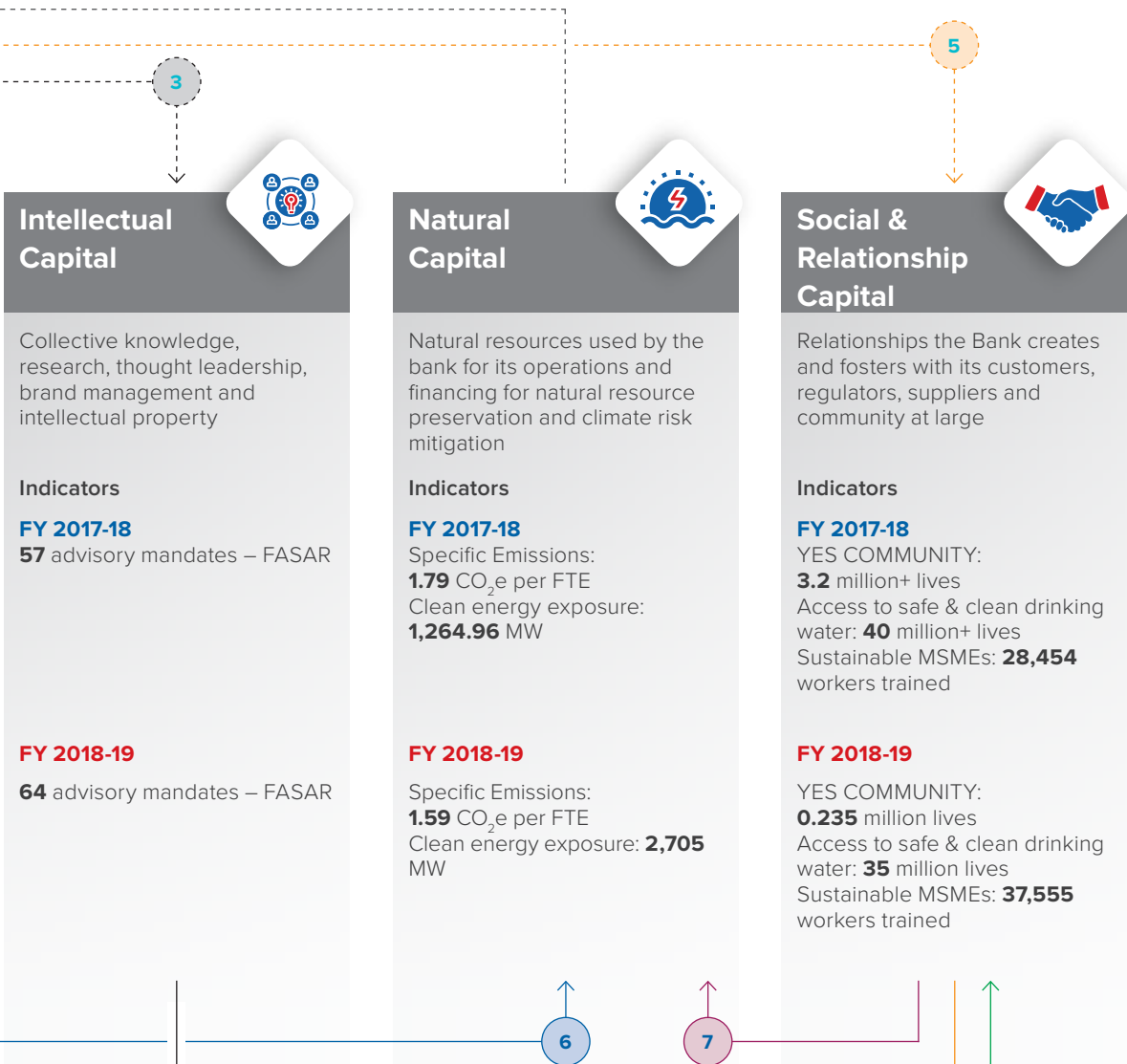


Business Overview

YES BANK'S VALUE CREATION STRATEGY



- 1** Development and upkeep of branches, NOCs
- 2**
 - YES SCHOOL OF BANKING: capacity building
 - 5 Cs Engagement model: Culture, Career, Communication, Connect & Care
- 3**
 - Forged ties with national and global thought leaders
 - Developed thought pieces aimed at positively impacting industry and policy
- 4** Major consumption of natural resources
- 5**
 - Responsible Banking ethos
 - Unique scalable & sustainable projects
- 6** Drive business performance



- 1** • A 'Digital – Digital + Physical' infrastructure approach to achieve scale

• Manage supply-chain & procurement practices to improve efficiencies and lower costs
- 2** Drives business performance
- 3** • Knowledge-based approach to provide clients with customized solutions

• Innovative products and services
- 4** Supports daily operations
- 5** Employer of choice
- 6** RE Financing
- 7** • Avoiding emissions

• Awareness on sustainable practices
- 8** Supports local outreach

YES BANK's Sustainability Approach

YES BANK recognizes its significance as a public trust institution and strongly believes in being a catalyst for sustainability, driving action towards sustainable development. The Bank has forged strategic alliances to deliver internal and external, positive socio-environmental impact, catering to the needs of its entire stakeholder spectrum. In line with the ethos of shared value creation, it has woven sustainability considerations into the DNA of its core business strategy and processes.



Responsible Banking is a key differentiator at YES BANK, and one of the six strategic pillars along with Trust, Transparency, Knowledge, Technology and Human Capital. The Bank, in line with its Responsible Banking ethos, strives to evangelize a sustainable economy by adopting strategies that link sustainable development with stakeholder value creation. Responsible Banking is firmly embedded into the Bank's strategy, as a fundamental principle that runs across all functions of the Bank and acts as an enabler to deliver holistic and inclusive growth.

This laser-sharp focus on sustainability is reflected in YES BANK's multiple 'industry-first' achievements that have established its legacy of institutional excellence over the past 15 years. Unique landmark transactions coupled with innovative business initiatives in the sustainability sphere have enabled the Bank to demonstrate exemplary performance across environmental, social, and governance aspects by:

- ▲ Launching India's first-ever Green Infrastructure Bond in 2015, followed by the private placement by International Finance Corporation (IFC) for Green Masala Bond and issuing Green Infrastructure Bond with FMO* in 2016
- ▲ Committing to mobilize USD 5 billion towards climate action by 2020
- ▲ Pledging to mobilize USD 1 billion by 2023 towards solar projects, and USD 5 billion till 2030
- ▲ Being the first Bank globally to migrate to ISO 14001:2015
- ▲ Being the only Indian Banking signatory to Natural Capital Finance Alliance (NCFA) and Chair of Steering Committee
- ▲ Launching India's First Green Retail Liability Product in 2018, Green Future Deposits
- ▲ Being the sole arranger and subscriber to India's first Social Bond, with proceeds allocated to Affordable Housing
- ▲ Being the first and only Indian Bank to be listed on DJSI[^] Emerging Markets for four years consecutively (2015-2018); selected in the prestigious FTSE4Good Emerging Index for two consecutive years (2017-2018); selected in MSCI[#] ACWI[®] ESG['] Leaders & SRI Indexes in 2017; included in Vigeo Eiris Best Emerging Markets Performers Ranking (2018) and the only Indian Bank to be awarded 'Prime' status by OEKOM Research Ag
- ▲ Being the first Indian signatory to the UNEP FI[†]
- ▲ Attracting investor confidence resulting in credit lines from reputed multilaterals and development finance institutions (DFIs) like IFC, Overseas Private Investment Corporation (OPIC), Asian Development Bank (ADB), Netherlands Development Finance Company (FMO), European Investment Bank (EIB) and the Development Bank of Austria (OeEB)
- ▲ Becoming the first Indian bank to join the Carbon Pricing Leadership Coalition (CPLC)
- ▲ Being the first Indian bank to support the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)
- ▲ Being the first Indian banking sector signatory to UN Global Compact, abiding by its ten principles and continuing to report Communication on Progress at GC Advanced level
- ▲ Being the first Indian banking signatory to the CDP and reporting its carbon emissions since 2009

*Netherlands Development Finance Company

[^]Dow Jones Sustainability Indices

[#]Morgan Stanley Capital International

@All Country World Index

[†]Environmental, social and governance

[‡]United Nations Environment Program Finance Initiative

FINANCIAL CAPITAL

Financial Capital is the value of money that the Bank obtains from the providers of capital, which is used to support its business activities. The profits generated thereof, are distributed amongst its stakeholders, as well as retained to further fund business activities.

₹380,826.17 crore
Balance Sheet

₹20,496.94 crore
Remitted through
YES MONEY

₹1,720.28 crore
Net Profit

25 lakh
Families impacted
through YES LEAP

Highlights of Financial Performance

Economic Value Generated, Distributed, and Retained

Particulars	FY 2018-19 ₹ in '000	FY 2017-18 ₹ in '000	Remarks
Economic Value Generated			
Revenues	342,992,801	254,912,551	P&L Account, Annual Report 2018-19
TOTAL	342,992,801	254,912,551	A
Economic Value Distributed			
Operating costs [#]	37,945,115	30,238,599	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2018-19
Employee wages and benefits	24,697,653	21,889,199	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2018-19
Payments to providers of capital	204,381,149	130,791,725	Annexure A
Payments to Government	7,650,336	20,814,834	Annexure B
Community Investments	537,800	452,100	Annexure 1, Directors' Report, Annual Report 2018-19
TOTAL	275,212,053	204,186,457	B
Economic Value Retained*	67,780,748	50,726,094	A-B
Annexure A			
Interest on deposits	136,871,140	93,834,137	Schedule 15 – Interest Expended, P&L Account, Annual Report 2018-19
Interest on RBI/ Inter-bank borrowings/ Tier I & Tier II debt instruments	60,764,723	29,840,501	Schedule 15 – Interest Expended, P&L Account, Annual Report 2018-19
Others	521,297	1,628,986	Schedule 15 – Interest Expended, P&L Account, Annual Report 2018-19
Dividend paid for last year	6,223,989	5,488,101	P&L Account, Annual Report 2018-19
Payments to providers of capital	204,381,149	130,791,725	
Annexure B**			
Provisions made for Income Tax during the year	6,370,684	19,697,457	Schedule 17 - Provisions & Contingencies, Annual Report 2018-19
Tax on Dividend paid last year	1,279,652	1,117,377	P&L Account, Annual Report 2018-19
Payments to Government	7,650,336	20,814,834	P&L Account, Annual Report 2017-18

* Calculated as per the GRI 201 Standards.

Excluding Employee Wages and Benefits, which has been shown separately.

** Only includes the taxes shown in the Bank's Statements of Accounts in its Annual Reports for 2018-19 and 2017-18, and does not include all the payments to the Government made by the Bank.

A detailed Business Segment Overview is presented as part of the 'Management Discussion and Analysis' section on pages 69 of the Annual Report for 2018-19.

This section includes a performance analysis of the Bank's key business operations with social, economic, and environmental impacts on stakeholders.

Inclusive & Social Banking and Microfinance Banking

Since inception, YES BANK has focused on 'inclusive growth' for the emerging new India by introducing specialized products and services for rural and semi-urban customers. The Bank remains committed to create equal financial opportunities for all. Towards this end, it has widened access to capital through a two-pronged strategy. The Bank has promoted microfinance as a new asset class through Microfinance Banking (MFB) and has mainstreamed bottom-of-the-pyramid (BoP) clients through Inclusive and Social Banking (ISB).

Ensuring financial inclusion

With the objective of offering focused financial solutions for India's under-banked and unbanked population, YES BANK has fostered key partnerships that amplify its impact. It has adopted the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI), to systematically leverage Information, Communication & Technology (ICT) and frugal business models.

Microfinance Banking fulfills the financial inclusion agenda by catalyzing the growth of India's microfinance industry. The Bank's elaborate product suite, spans across term loan facilities to Microfinance Institutions (MFIs) for further on-lending, cash management services, loan syndications and rated capital market loan products like pool securitization and Pass Through Certificates (PTCs).

The Microfinance Banking division caters to the financially marginalized by extending these services through 37 major clients, which are essentially MFIs spanning across 29 states.

The Inclusive & Social Banking (ISB) division has designed a flagship program – 'YES Livelihood Enhancement Action Program (YES LEAP)' through Frugal Innovations for Financial Inclusion (FI4FI). Under this program, the Bank partners with MFIs, which are credible NGOs/private institutions, appointing them as Business Correspondents (BC). These BCs provide financial services (such as credit, savings and insurance) to women Self-Help Groups (SHGs)/Joint Liability Groups (JLGs). This allows the Bank to leverage its BC partners' extensive footprints and scale up its product and service offerings for the BoP, at their doorstep. Since inception of the business, with

the help of over 40 BC partners, the unit has provided cumulative finance of over ₹8,500 crore and has reached out to 25 lakh families in rural and semi-urban India, across 260 districts. In 2018-19, ISB has also launched a customized group insurance product – YES SHIELD for the YES LEAP clients. Being considerate about the needs of this segment, ISB has further launched YES SMILE (Specialized Micro Individual Loan for Enterprises) for the upgraded microfinance clients who have the aspiration to grow their micro business. This Micro Individual Business Loan is aimed at providing higher ticket size loans to the graduated microfinance clients and help them further grow in their existing business. As 100% of these groups associated with the YES LEAP program are women-centric, the initiative has been able to contribute significantly towards strengthening women entrepreneurship and has paved the way for women empowerment in remote areas of the country.

Enabling digital platforms

The Bank has instituted Ganaseva—a customized, semi-automated loan origination and loan management system—to enhance its impact and delivery mechanisms. The system enables real-time tracking of all of the Bank's activities and offers flexibility to build in adequate regulations and required risk controls. The platform also provides high-quality informative reports with data analytics. In line with its digital focus, YES BANK has undertaken a number of digital interventions aimed at increasing transparency and credibility, reducing turnaround time (TAT) and enhancing customer experience. Some of the Bank's key interventions include digitizing field reporting with real-time GPS tracking of field staff through Microsoft Kaizala app, digital training modules, cashless transactions and pre-printed and paperless documentation, and digitization through Karvy.

Taking a cue from the RBI guidelines on Rationalization of Branch Authorization policy regarding BC Banking Outlets, YES BANK opened 21 new BC operated Banking Outlets (BCBOs) in select unbanked rural locations. This has enabled the Bank to provide customized banking products and services in locations where it was difficult to set up a Bank Branch, thereby contributing towards the Bank's Financial Inclusion goals. The Bank leverages innovative digital solutions like Micro ATM for providing banking services in these outlets.

Imparting financial literacy

YES BANK aims to promote the basic understanding of financial concepts and financial management principles amongst segments of the society which are vulnerable and susceptible to financial frauds. The Bank intends to help them build and strengthen their financial decision-making capability.

ISB follows a model that includes financial literacy trainings as a part of the curriculum and day-to-day operations. It ensures ample opportunity for customer interaction with the Bank and BC staff. Women clients are imparted training through a process called Central Group Training (CGT) and its efficacy is assessed through a verbal interactive test called Group Recognition Test (GRT).

The Bank and BC staff also undergo continuous training through 'Train the Trainers' classroom sessions, audio calls, and virtual presentations. The Bank uses digital modules to train staff further and enhance its reachability and impact.

YES BANK maximizes communication with clients through short story-based push call messages—on financial education topics—that are designed and sent to clients in vernacular languages. For this, the Bank has collaborated with Awaaz.De (*a technology company that develops inclusive mobile solutions, enabling organizations to achieve last-mile connectivity for social impact*). The Bank has also been designing a customized and extensive financial literacy module, in collaboration with Accion International (*a global non-profit with a mission to advance financial inclusion to improve lives*), to further spread awareness on financial services and best practices. The module is being used by the Bank's 'feet-on-street' staff and the last mile BC staff for educating customers in remote and under-banked/unbanked areas. The comprehensive module is available in eight vernacular languages and covers several topics, including savings, credit, financial management, insurance and basics of banking. Over 70,000 clients have been trained on basic financial literacy with the help of these modules.

All these interventions are carefully curated for the underprivileged and the financially excluded sections of the society, with an aim to contribute towards the mammoth task of helping achieve financial inclusion.

Agri Product Management

The Bank's Agri Product Management (APM) unit, comprising of experienced banking and industry professionals with an in-depth knowledge of the priority sector, delivers efficient and customized banking solutions for the agri-value chains. A detailed overview of the activities of the APM unit is provided on pages 80 of the Bank's Annual Report 2018-19.

Digital Banking

YES BANK continues to maintain a laser-sharp focus on fostering innovation and leveraging technological developments to enhance the banking experience for its customers. The Bank has adopted a holistic approach

towards going digital and has integrated this strategy across its banking ecosystem.

The size and volume of digital banking transactions done through YES BANK's products and services continued to scale rapidly in FY 2018-19. The Bank has consistently been ranked as First since inception for processing UPI based Merchant transactions (market share in merchant payments as on March 19 is 35%) and second in terms of overall Payment Service Provider volumes across the UPI ecosystem in FY 2018-19 (overall market share as on March 19 is 31%). The total number of UPI users for YES BANK crossed 27.57 crore and the Bank processed ~143 crore transactions amounting to ~₹2.35 lakh crore in FY 2018-19. With transaction volumes for Immediate Payment Service (IMPS) witnessing 82% growth year-on-year, the Bank has also been termed as the top remitter among its peer group, based on transaction volumes (according to NPCI). Aadhar Enabled Payment Scheme (AEPS) which allows seamless financial transactions through Aadhaar-based authentication, the Bank has successfully processed ~15.56 crore transactions in FY 2018-19. This has resulted in YES BANK becoming one of the leading acquirer banks of AEPS. The number of Mobile Banking transactions also witnessed a growth of 49.5%, with over 10 lakh registered users till date. During the reporting period, YES BANK Debit Card transactions increased by 53%, registering a volume increase of 54%.

Cognizant of the advancement in Artificial Intelligence (AI) space, YES BANK forayed into developing pioneering AI solutions, combining human judgment with data power to personalize value and re-design the customer's banking journey. The Bank launched YES ROBOT – a comprehensive, secure, AI-enabled 24/7 personal banking assistant for its customers. Currently deployed on YES BANK's website and the Bank's Facebook Messenger, YES ROBOT offers several industry-first solutions such as financial transactions, credit card management and opening fixed deposits, among others, transforming the way customers bank.

Other key digital banking initiatives, include:

- ▲ Implementing a cashless solution for Puducherry Smart City to enable digital payments for citizens and visiting tourists, in partnership with Puducherry Tourism Development Corporation (PTDC)
- ▲ Launching the Udaipur Smart City Card cum Wallet Solution, for digitizing payments at over 700 retail and government outlets, in partnership with the Udaipur Municipal Corporation (UMC)
- ▲ Launching 'YES Digi Villages' – India's first-of-its-kind village adoption program to ensure instant paperless banking for rural customers through

banking and agritech solutions; the program is to be implemented across 2,000 villages, empowering 1 lakh lives

- ▲ Partnering with the Government of Maharashtra to onboard fair price shops as BCs, in a joint initiative to digitally empower over 20,000 ration shop owners in Maharashtra and increase revenue opportunities by extending last mile banking services to over 70 lakh citizens
- ▲ Working closely with the Department of Information Technology and Communication, Government of Rajasthan to launch BHAMASHAH Wallet, a co-branded arrangement to digitize Government to Citizen (G2C) payments
- ▲ Partnering with Chhattisgarh Infotech Promotion Society (CHIPS) to onboard over 11,000 Citizen Service Centers (CSC) as BC agents with the aim to promote digital payments across the state and augment the income generation of CSCs
- ▲ Implementing an Expense Management Solution for the Maharashtra State Electricity Distribution Company Limited for digitizing their employee payouts across 206 field offices
- ▲ Employing Near Field Communication (NFC) based 'Tap & Go' card payments at Naval Office Institute, Goa, making it India's first completely cashless defense campus, powered by YES BANK's payment solutions

YES Money

YES MONEY is YES BANK's award-winning, innovative domestic remittance platform. It was launched in 2011 to meet the remittance needs of migrants,

unbanked and under-banked Indians. YES MONEY has cumulatively remitted close to ₹489.48 billion in domestic remittances till date.

YES MONEY is a Cash Remittance Service that leverages existing cash remittance technologies in India, along with the vast spread of local, family-owned retail stores and the Bank's pan-India commercial branch network.

Previously available remittance services in India, forced depositors to wait in long queues at bank counters, and required receivers, usually family members in rural India, to travel to a branch of the same bank.

YES MONEY's innovative remittance technology, allows users to securely send money through enlisted retail stores (BC agents), with an internet-enabled computer and a mobile phone, to any branch of any bank across India. Thus, YES MONEY has taken advantage of India's deep penetration of mobile telephony to provide a hassle-free, digital, low-cost and customer-friendly service.

YES MONEY	FY 2018-19	FY 2017-18	FY 2016-17
Number of Business Correspondents (BC) ¹	31	28	38
Number of transactions done (lakh) ²	644.11	410.58	124.72
Total value of transactions (₹ in crore) ²	20,496.94	13,281.72	4,558.59

¹ Cumulative as on March 31, 2019

² for FY 2018-19

SOCIAL & RELATIONSHIP CAPITAL

Social & Relationship Capital refers to the relationships the Bank develops with its customers, investors, regulators, suppliers and community at large to create shared societal value as a responsible corporate citizen.

2.35 lakh
Lives touched through
YES COMMUNITY

10,859
Farmers capacity
enhancement

3.5 crore
Lives provided access
to safe & clean drinking
water

37,555
MSME workers trained

Since inception, YES BANK has recognized its responsibility towards the society and has remained committed to its role as a good corporate citizen. Over the years, the Bank has developed and implemented various programs to enhance and create shared value through unique, scalable, and sustainable models to achieve this objective. YES BANK's Corporate Social Responsibility (CSR) policy guides the Bank to deliver internal and external positive socio-environmental impact by following a unique approach, which focuses on:

- ▲ Promoting principles of social responsibility and inclusive growth through awareness and support
- ▲ Investing in socially and environmentally responsible activities to create positive impact
- ▲ Engaging with stakeholders to further the sustainability agenda of the Bank and empower them with knowledge
- ▲ Collaborating with like-minded institutions and forging partnerships towards addressing the needs of the stakeholders
- ▲ Monitoring the environmental and social investments of YES BANK through structured governance and transparent performance indicators

This unique, multi-pronged approach has enabled the Bank to forge meaningful associations with its stakeholders, including community groups, non-profit organizations, governments, corporate peers, and civil society. With the view of actualizing and concentrating its efforts towards SDGs, the Bank undertook various programs and initiatives during the FY 2018-19 that were intended to address:

- ▲ Livelihood and Water Security
- ▲ Employability and Entrepreneurship
- ▲ Environmental Sustainability
- ▲ Social Transformation

Livelihood and Water Security

'SDG 6 – Clean Water and Sanitation' sets out to 'ensure availability and sustainable management of water and sanitation for all'. Water, being at the core of sustainable

development, has strong linkages to all the other SDGs and underpins many of them, such as SDG 3, 4, 11 and 15.

In concurrence with SDG 6, YES BANK has identified 'access to safe and clean drinking water' as a key challenge and formulated a focused community intervention to tackle it. With an aim to provide safe and clean drinking water to urban, rural, and semi-rural communities, YES BANK launched its Livelihood and Water Security initiative in 2014.

In the first stage of the project, YES BANK partnered with a social enterprise with an innovative, membrane-based water purification technology. This technology requires zero electricity and no chemical dosing for the purification process, resulting in zero water wastage. Conventional filters had failed to address these issues in most communities, due to their dependence on constant electricity supply, which led to high admin costs. These innovative filters have the capability to purify water from any freshwater source and can be easily installed at community centers such as schools and public buildings, requiring minimum maintenance.

In FY 2014-15, the pilot initiative successfully provided access to 62,500 lives across 12 districts in Maharashtra, through the deployment of household water filters and five community water filtration systems.

To scale the program, on the occasion of COP21 in December 2015, YES BANK committed to touch 100 million lives by providing them access to safe and clean drinking water by 2020.

In FY 2015-16, YES BANK joined hands with the Indian Railways to provide safe and clean drinking water at 1000 'D' and 'E' category railway stations across India by 2019. The project was officially launched by Mr. Suresh Prabhu, the then Minister for Railways, Government of India, at Kankavli railway station, Maharashtra. Additionally, the Bank collaborated with an implementation partner and the Delhi Jal Board to install Water ATMs in urban slums of Delhi, providing access to potable water to over 1 lakh beneficiaries. The water is available at a nominal price at these ATMs, which also provide livelihood opportunities to the ATM operators.

These initiatives have a multi-pronged effect on the overall development of the target beneficiaries by improving general health and welfare of community members.

YES BANK has successfully provided access to safe and clean drinking water to more than 100 million people (since the launch of the program in 2014) through the Livelihood and Water Security initiatives. The current partnership with Indian Railways has helped provide access to safe drinking water at 1,005 'D' and 'E' category railway stations across Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Goa, and Karnataka.

Employability and Entrepreneurship

Skill Development through YES STEADY

YES BANK launched YES STEADY (Skills Training and Enhancement for Development of Youth) in 2014 to provide employability training to the youth through targeted skill building initiatives. The Bank partnered with Deshpande Foundation and has provided employability training to 5,000 youth in Karnataka and Telangana, under various focus sectors such as agriculture, accountancy, electrical works, BPO, soft skills and primary teachers training. The program has had a significant impact on the lives of these youth, with a substantial number opting for higher education, thereby enabling them to earn a living or start an independent business.

Livelihood Security

Agriculture is the principal source of food and livelihood in India. Demographically, it is the broadest economic sector and plays a significant role in the overall socio-economic fabric of India. With 54.6% of the population engaged in agriculture and allied activities, the sector plays a vital role in India's economy (Source: Census 2011). Given its immense contribution to the country's Gross Domestic Product (GDP), YES BANK launched an initiative on sustainable agriculture. The program empowered 10,859 farmers in 16 districts across Haryana and Rajasthan by training them in Good Agricultural Practices (GAP), financial inclusion, and digital literacy.

GAP trainings have equipped farmers with knowledge about better, cost-effective agricultural practices, techniques for livelihood generation and enhancing incomes. The financial inclusion (debt instruments/sources) and digital literacy trainings (online transactions/message-based services for market information) have helped farmers in better managing their financial needs.

YES SCALE Accelerator

In 2018, YES BANK launched the YES SCALE, a multi-sector startup accelerator program, aimed at

mentoring and fostering startups that are driving innovation and digitalization across sectors. YES SCALE focuses on building disruptive solutions in five impact sectors of the economy – smart cities, cleantech, agritech, life sciences tech, and edutech.

YES SCALE brings together industry leaders, experts, corporates, government bodies, investors and global ecosystems to provide startups a platform to mainstream and scale their ideas.

As part of the first cohort, the accelerator received an overwhelming response from startups with 1000+ applications. Of these, 6 startups under Cleantech, 8 startups under Agritech and 5 under Smart City accelerators received opportunities to commercialize their solutions in association with industry partners.

YES SCALE has brought together over 50 organizations across funds and technology, and as government partners for advisory support. The program also witnessed active participation from industry players such as Big Basket, MTR, Mahindra & Mahindra, Olam International, Godrej Agrovet, First Solar, Grasim Industries, Freyr Energy, Fourth Partner Energy, and Schneider Electric India.

Environmental Sustainability

With a relentless commitment of protecting the environment and reducing the negative impact of human activities on the planet, YES BANK has made climate action and environmental sustainability a core focus area.

Say YES to Sustainable MSMEs in India

The Micro, Small and Medium Enterprises (MSME) segment is the largest contributor to Indian manufacturing sector and one of the biggest employers in the country. MSME is playing a critical role in India's economic growth and in realizing the 'Make in India' mission. However, the sector also accounts for an estimated 70% of India's total industrial pollution, largely due to the use of technologies that are obsolete and poor management practices.

YES BANK's first-of-its-kind CSR initiative 'Say YES to Sustainable MSMEs in India', was conceptualized to support MSMEs in adopting best practices in Energy Efficiency (EE) and Occupational Health & Safety (OHS). The initiative has helped MSMEs integrate sustainability into operations, reduce overall carbon footprint, enhance global competitiveness in terms of output and efficiency, and contribute to the India's 'Zero Defect, Zero Effect' vision.

The intervention was launched as a pilot project in FY 2014-15 as part of the European Union's 'Scaling Up Sustainable Development of MSME Clusters in India'

initiative. Other partners to the initiative included the United Nations Industrial Development Organization (UNIDO), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Global Reporting Initiative (GRI), Indian Institute of Corporate Affairs (IICA) and Small Industries Development Bank of India (SIDBI) in Punjab.

In partnership with the Foundation for MSME Clusters (FMC) and Entrepreneurship Development Institute of India (EDII), the project has grown its focus from foundry sector to cover 17 MSME sectors.

The growth in the cumulative number of beneficiaries across years is depicted below:

Year	FY 2016-17	FY 2017-18	FY 2018-19
Beneficiaries (cumulative)	3,272	21,816	49,722
MSMEs		MSMEs	MSMEs
	21,637	50,091	87,646
workers		workers	workers

Since inception, the initiative has supported over 49,000 MSMEs and benefited more than 87,000 workers across 57 cluster locations. The initiative has also helped MSMEs reduce carbon emissions and improve occupational health and safety systems through multifaceted interventions including:

- ▲ Workshops on promoting energy efficiency, renewable energy (RE), and clean technology
- ▲ Energy audits of MSMEs
- ▲ Structured Occupational Health and Safety (OHS) interventions, including health camps, first-aid trainings and safety trainings
- ▲ Empowering MSMEs through financial literacy camps, including GST transition support

Tree Plantation Initiative

In line with India's Nationally Determined Contributions (NDCs), YES BANK has committed to develop carbon sink to help mitigate global warming and climate impact.

YES BANK is the first Indian private sector bank to collaborate with the National Highways Authority of India (NHAI), and work towards the vision of creating green highways. Under the Ministry of Road Transport and Highways' 'Adopt a Green Highway' initiative, the Bank has adopted a 40-kilometer stretch along the Mumbai – Nashik Highway. The Bank continues to maintain 45,462 trees along the stretch for a five year period.

This endeavor would contribute towards achieving India's commitment to creating an additional carbon sink of 2.5 to 3 billion tonnes of CO₂ equivalent by 2030 and

YES BANK's COP21 commitment of planting 2 million saplings by 2020.

Spreading Climate and SDG literacy

Empowered, aware, and young citizens are critical to tackling environmental challenges of future. With this view, YES BANK collaborated with United Nations Global Compact Network India (UN GCNI) and an implementation partner to conduct SDG literacy workshops. These workshops endeavor to educate and equip the youth with the necessary skills to become climate leaders. The workshops focus on climate action and natural capital. They were designed specifically to initiate on-ground action towards conservation of environment, in line with the Green Good Deeds Campaign, spearheaded by the Ministry of Environment, Forests and Climate Change, Government of India.

During FY 2018-19, workshops were conducted successfully covering 45 schools, involving 6300 students, who were made aware on how they could help drive change and initiate action to become environmental champions.



Students geared to face the challenges of future and undertake 'Green Good Deeds' after a Sustainable Development Goal (SDG) literacy program

YES COMMUNITY activities on the theme 'Environmental Sustainability'

YES BANK has always focused on fostering environmentally conscious citizens. This resulted in 10,700+ YES BANK employees across its branches and corporate office supporting the Government of India's environment campaign, by taking the My 'Green Good Deeds' Pledge, to help reduce their environmental footprint.

The Bank also spearheaded a number of local community-led environmental initiatives through its branch network. On the occasion of World Environment Day 2018, YES BANK joined hands with the National Mission for Clean Ganga (NMCG), to conduct a ghat clean-up drive on the banks of the Yamuna river at Kalindi Kunj ghat. Over 250 volunteers from YES BANK and

NMCG participated in the drive, cleaning over 15 tonnes of garbage. In Maharashtra, the Bank celebrated Van Mahotsav, by joining hands with the local community and planting trees in the State government's 33-acre Hariyali tree plantation site in Navi Mumbai.

During FY 2018-19, YES BANK partnered with and supported a number of environment-friendly initiatives. The Bank partnered with TATA Power Club Enerji to conduct activities across 173 branches on sensitizing students in schools and colleges on ways to save and conserve energy. YES BANK also supported the e-waste recycling campaign of the Ministry of Electronics and Information Technology (MeitY), Government of India. The Bank conducted more than 55 awareness building sessions across schools, colleges, Resident Welfare Association (RWAs) and Small and Medium-sized Enterprises (SMEs) for the campaign.



YES COMMUNITY volunteers at the Ghat clean-up drive at Kalindi Kunj Ghat, Delhi

Creating positive impact through YES Community



YES COMMUNITY, YES BANK's unique community engagement program, serves as a knowledge exchange and awareness platform for communities around its branches on social and environmental issues of local and national importance.

In FY 2018-19, YES COMMUNITY continued its focus on delivering sustained on-ground impact, in line with the United Nation's Sustainable Development Goals (SDGs).

During the year, the Bank undertook 2,774 monthly activities under YES COMMUNITY, touching 2.35 lakh lives. Some key YES COMMUNITY programs conducted (apart from the ones covered earlier) include:

Health and Wellness Programs

YES BANK branches partnered to celebrate the Fourth International Yoga Day and promote the importance of health and wellness. In partnership with the Ministry of Aayush, Government of India, YES BANK participated in one of the largest yoga camps in Delhi, attended by 5,000+ yoga enthusiasts. A similar activity was conducted in Haryana, in association with the District Administration of Ambala, which witnessed participation of over 4,000 yoga enthusiasts.

Social Welfare & Disaster Relief Initiatives

The states of Kerala, Assam, Mizoram and Tripura were rampaged by heavy rainfall and flooding in 2018. To contribute towards the disaster relief efforts, employees from over 40 YES BANK branches undertook a material collection drive in partnership with a leading NGO, Goonj. The efforts by YES BANK branches and Goonj contributed to the collection of 250 tons of relief material, benefiting over 12,000 affected families.

Social Transformation

The developmental challenges faced by India require innovative and inclusive solutions with a potential to create a multiplier effect, addressing both scale and impact. Towards this, YES BANK through its social development arm, YES FOUNDATION, adopted a differentiated approach focusing on stimulating entrepreneurship and building responsible youth citizenship. The initiatives undertaken by the Foundation aim to address the gaps in the development sector by strengthening Design and Innovation-led Creative Entrepreneurship (DICE) solutions, thereby contributing towards building of an empowered and equitable India.

YES! i am the CHANGE

Launched as the flagship program of YES FOUNDATION in 2013, YES! i am the CHANGE (YIAC) is a nation-wide mindset transformation program. The program inculcates the spirit of responsible youth citizenship and drives positive social action through the impactful medium of films. Over the years, this award-winning program has been recognized as an innovative platform to drive social change through the application of media. The program acts as a platform to directly engage with youth on social causes. High-quality film content created by participants in the program forms invaluable communication material for non-profits.



YES! i am the CHANGE Grant & Accelerator Pitch Jury Panel

YES! i am the CHANGE Social Filmmaking Challenge 2018 (Open category)

In 2018, youth and social impact organizations from across India participated in the social filmmaking challenge (open category), where they captured the impactful work done by non-profits, social enterprises, and everyday heroes in the form of 3-minute short films. The Challenge received 11,511 film entries from over 1.5 lakh participants across the country.

An eminent jury selected 20 national winners in this category and the winners were awarded cash prizes worth ₹10 lakh. Social impact organizations featured in the top 714 film entries, were then selected to apply for the YIAC Grant & Accelerator program.

A third-party impact assessment of the first four editions of YES! i am the CHANGE was conducted during the year. The assessment concluded that the program had achieved a mindset transformation among students, NGOs, media professionals and corporates, driving positive and responsible actions towards nation-building.

YES! i am the CHANGE Grant & Accelerator 2018

YES FOUNDATION launched the **YES! i am the CHANGE Grant & Accelerator** for non-profits and social enterprises to support social impact organizations in creating greater societal value. The program offers grants worth ₹7.5 crore and three-year acceleration through capacity building support to 25 organizations with sustainable and scalable programs, addressing India's development challenges. The Yes Foundation Grant and Accelerator Program aims to help existing social impact organizations improve quality of operations, adapt to management best practices, scale up impact and emerge as benchmark organizations in the sector.

To participate in the program, non-profits, and social enterprises were invited to submit a 3-minute short film showcasing their programs and impact. 714 organizations were then shortlisted to submit written proposals for the Grant & Accelerator program.

Through multi-stage evaluation of proposals, including a jury pitch, 23 organizations have been awarded with grants worth ₹6.9 crore and selected for the first cohort of the accelerator program. Some of the highlights of 2018 program include:

- ▲ 1,50,000 participants
- ▲ 11,511 film submissions
- ▲ 714 organizations shortlisted for project proposal submission
- ▲ Top 60 social impact organizations pitched to an eminent jury panel
- ▲ Top 23 selected social impact organizations awarded grants worth ₹6.9 crore and 3-year accelerator support.



Media for social change fellowship Ahmedabad cohort 2018

Media for Social Change Fellowship

The YES FOUNDATION Media for Social Change Fellowship was launched in 2016 to further enable and deepen social engagement among the youth. This prestigious Fellowship program helps develop socially conscious youth leadership and amplify communication of NGOs to enhance their social impact.

In a short span of three years, the program has transformed 818 students in the age group of 18-25 years into socially conscious youth leaders and helped impact 251 NGOs across five cities in India, including Mumbai, Delhi, Bengaluru, Ahmedabad, and Pune.

The program entails a week-long intensive classroom training by industry leaders on leadership, marketing, communications, digital and social media, followed by a seven-week NGO placement, where Fellow designates work on well-defined communication projects.

Some salient features of the program include:

- ▲ Intensive selection process to induct Fellows with the right passion and determination to make a social difference
- ▲ Fellows assist in the execution of well-defined NGO projects, with clear objectives and timelines
- ▲ Training and NGO placements in five cities: Mumbai, Delhi, Bengaluru, Ahmedabad, and Pune
- ▲ Stipend of ₹10,000 offered for the duration of the Fellowship and a certificate upon successful completion of the program
- ▲ Access to scholarship and internship opportunities on program completion

All Fellows undergo training and mentoring by experts in Leadership, Communication, Design Innovation and Creativity-led Entrepreneurship (DICE), and from the social and digital media and development sector. This program has been instrumental in creating a pipeline of socially conscious youth leaders for the development sector and substantially enhancing the communication and outreach of social impact organizations.

Employee Payroll Giving

YES BANK continues a payroll giving initiative for its employees. Employees registered under the program contribute a stipulated amount from their salary every month, toward a cause of their choice from options shared by the partner. In return, the partner sends a progress report to the employee with details of impact created through the funds. During the reporting period, an amount of ₹33,93,767 was received as donations from employees.

INTELLECTUAL CAPITAL

Intellectual Capital refers to the collective knowledge base and thought leadership, accumulated through research and policy advocacy, brand management and intellectual property used to support business activities and lead public discourse on global challenges.

ONLY Indian Bank

To co-found UN Principles for Responsible Banking

11

Knowledge reports published by YES BANK

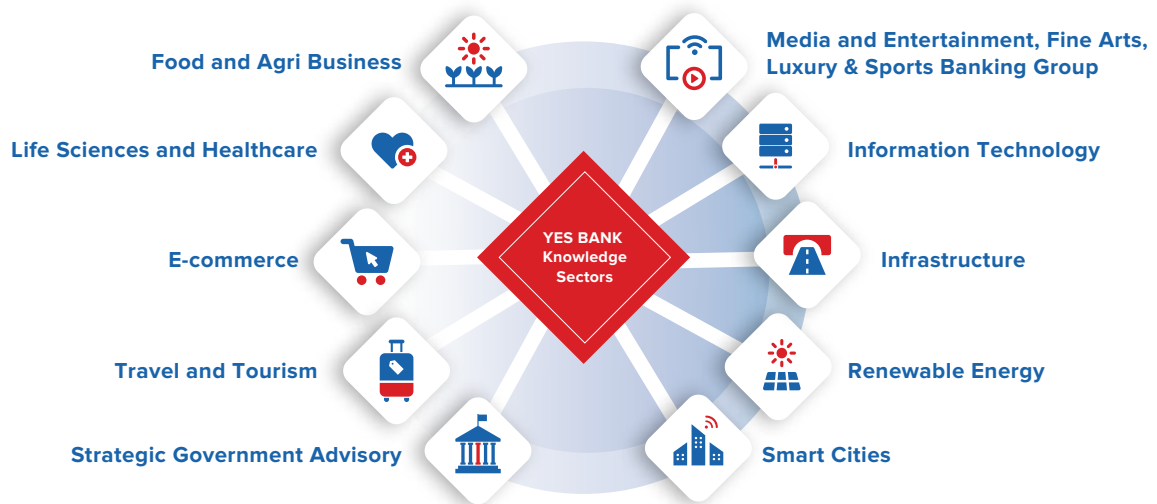
64

Advisory mandates executed by YES BANK's FASAR team

Thought Leadership

Since inception, YES BANK has adopted the ethos of 'Knowledge Banking' to provide customized financial products and services, catering to the sunrise sectors of the economy. Dedicated knowledge teams at the Bank undertake in-depth research with an aim to generate insights about these emerging sectors. This differentiated approach has enabled YES BANK to capture the mindshare of critical stakeholders, including regulators, policymakers, industry associations, customers and shareholders. The growing mindshare fuels a corresponding increase in market share across business segments.

The in-house pool of diverse skills and sector-specific expertise enables the Bank to spearhead marquee events as knowledge partners and undertake various 'industry-first' initiatives by forging strategic partnerships.



Global Engagement on Sustainable Development

Given its unprecedented leadership in mobilizing finance for India's sustainable sectors, YES BANK is regularly invited to share its views and insights at various national and international events. As a thought leader, the Bank participates at these events, alongside experts from governments, select financial institutions, and private and institutional investors.

YES BANK enhanced its knowledge about key sunrise sectors and forged new alliances and partnerships to accelerate action towards India's sustainable development agenda through these platforms. Key events where YES BANK participated during the year include the High-level event on 'Financing for SDGs - Breaking the Bottlenecks of Investment, from Policy to Impact' held at United Nations Headquarters in New York; Roundtable on SDGs by World Benchmarking Alliance & Netherlands Consulate; Second Global RE-INVEST 2018 India-ISA Partnership Renewable Energy Investors Meet & Expo and the 3rd Global Biofin Conference.

At these forums, YES BANK presented and catalyzed discussions centered around the need for enabling policy architecture, innovative business models, and financial mechanisms to achieve the SDGs. The Bank also advocated the importance of scaling renewable energy investment and the mission critical role of the financial community in increasing finance to meet climate action targets.

YES BANK remains a signatory to key protocols focused on climate action and sustainable development, including the UN Environment Program Finance Initiative (UNEP FI); Carbon Pricing Leadership Coalition (CPLC); UN Global Compact (UNGC); Carbon Disclosure Project (CDP), and the Natural Capital Finance Alliance (NCFA).

Natural Capital Finance Alliance



In 2013, YES BANK became the first Indian signatory to the Natural Capital Declaration (now a part of the Natural Capital Finance Alliance (NCFA), a joint initiative of the UNEP FI and Global Canopy Programme).

As a signatory, the Bank remains committed to bringing together an ecosystem that would help develop an appropriate regulatory infrastructure, disclosure mechanisms, and reporting measures to integrate, value, and account for natural capital. As the Chair of the Steering Committee of NCFA, YES BANK continues to oversee NCFA's strategy and provide direction and oversight for the Working Groups and the Secretariat. In FY 2017-18, NCFA launched a ground-breaking new tool, 'ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)', enabling financial institutions to visualize their exposure to natural capital risk. YES BANK provided feedback during the development phase of the tool and supported the tool at its launch in November, 2018. (More details available in Natural Capital Section on Page 36)

Going forward, the Bank will consider using the tool for gaining insights on the impacts and risks associated with natural capital that would enable better financial decision-making.

Partnership with United Nations Environment Programme Finance Initiative (UNEP FI)



YES BANK, as the first Indian signatory to the UNEP FI continues to play a leadership role on the platform.

YES BANK is elected as a member of the 2019 Global Steering Committee (GSC) for a three-year term. The role of GSC is to provide strategic direction on critical issues related to work programs and structural issues.

The Bank has actively collaborated with UNEP FI and 27 other global banks in formulating the 'Principles for Responsible Banking'. The principles provide a robust roadmap for the banking sector to align its business objectives to SDGs and the Paris Climate Agreement. The principles were launched in November, 2018 at UNEP FI's Global Roundtable in Paris and the Bank reaffirms its commitment to continued engagement with this initiative.

Partnership with Indian Institute of Technology, Delhi (IIT-D)

YES BANK has been engaging with academic institutions active in the areas of sustainability and climate change. In August 2018, YES BANK signed an MoU with IIT Delhi for institutionalizing the YES BANK Chair for climate modeling. The Chair will play an instrumental role in developing and improving climate modeling methodologies. It will further help formulate an India-centric climate model at the Department of Science and Technology (DST) Center of Excellence (COE) in Climate Modeling. As part of the partnership, YES BANK and IIT Delhi would foster excellence by driving research and development in the field of climate change.



YES BANK officials at the signing of the MoU with IIT Delhi, in the presence of the institute's Director, Prof. V Ramgopal Rao

World Environment Day 2018

YES BANK actively participated at the World Environment Day 2018 (WED 2018), hosted by the Government of India at Vigyan Bhavan in New Delhi from June 1-5, 2018. WED 2018 witnessed participation from over 10,000 delegates, including government officials, UN agencies, diplomats, corporates, think tanks and research institutes. YES BANK officials were invited to speak at several plenary sessions, organized by the Ministry of Environment, Forest and Climate Change (MoEFCC); Federation of Indian Chambers of Commerce and Industry (FICCI); Central Institute of Plastics Engineering and Technology (CIPET); United Nations Development Programme (UNDP) and the UN Habitat and Swiss Agency for Development & Cooperation. A Tribal Art Forms stall at 'Earth Warriors' exhibition was also assembled with the support of YES BANK at Vigyan Bhavan during the event.

The Bank launched a first-of-its-kind green retail product 'Green Future: Deposit' and the 4th edition of the YES BANK Natural Capital Awards 2018 during a 'Natural Capital in India' workshop. The event was organized by the Natural Capital Coalition (NCC), the Confederation of Indian Industry (CII) and the World Wildlife Fund (WWF). The Bank also organized a Yamuna Clean-up Drive, in partnership with the National Mission for Clean Ganga (NMCG), under its community engagement platform, YES Community at Kalindi Kunj Ghat in New Delhi.

Knowledge Reports

As a thought leader on sustainability-centric sectors, YES BANK launched a number of knowledge reports in FY 2018-19 advancing the understanding of climate-related risks and opportunities. Some of them are:



- ▲ **Innovating Pathways to Sustainable finance in India:** The report analyses barriers and opportunities in mobilizing sustainable finance in India, serving as a keystone towards formalizing a sustainable finance architecture in India.
- ▲ **Electric Vehicles: The Colour is Green:** The report covers key proposals and recommendations for accelerating the shift from Internal Combustion Engines (ICE) to a future of e-mobility.
- ▲ **Renewable Energy: India's Energy Game Changer:** The report analyzes the current landscape of the global renewable energy sector, with a special focus on opportunities in India and the role of startups.

Food & Agribusiness Strategic Advisory & Research (FASAR)

YES BANK's specialized Food & Agribusiness Strategic Advisory & Research (FASAR) unit provides project, policy, and strategic advisory services to the corporate sector, governments, and multilateral agencies.



FASAR also publishes knowledge reports and research papers on key trends and developments in the sector.

In FY 2018-19, FASAR took up 64 new advisory mandates and executed projects on agri infrastructure, export policy, agritech, value chains, food processing, food safety, organic food, startups, spices and dairy.

Groundwork by the FASAR team in collaboration with the Ministry of Commerce & Agricultural and Processed Food Products Export Development Authority (APEDA) led to the development of the 'Agriculture Export Policy, 2018'. The policy was approved by the Union Cabinet in December, 2018. During FY 2018-19, FASAR released several publications spanning innovations in Indian agriculture, startups, spices, cold chain storage, organic and horticulture segments, among others, partnering with the Government of India and various industry stakeholders.

Strategic Government Advisory (SGA)

A specialized 'Strategic Government Advisory (SGA)' group has been created within YES BANK to actualize its focus and commitment for holistic development of the key and emerging sectors of India's economy. The objective of SGA is to enable creation and deepening of banking opportunities and strengthen mindshare for the Bank by executing knowledge and advisory mandates with central & state governments; corporates; international developmental institutions; multilateral bodies; industry chambers; knowledge institutions and think tanks, among others. SGA offers advisory services, thought leadership and development support across sectors, including Infrastructure – Smart Cities & E-Mobility, Tourism & Hospitality, Healthcare & Wellness and Education among others.

Some of the key achievements include:

Policy & Strategic Advisory

- ▲ Development of State Policies for Tourism and AYUSH sectors for the Government of Uttarakhand
- ▲ Mandated to develop Punjab Electric Vehicle Policy by Department of Transport, Government of Punjab
- ▲ Mandated to develop Tourism Policy for the Union Territory of Diu and Daman by its tourism department

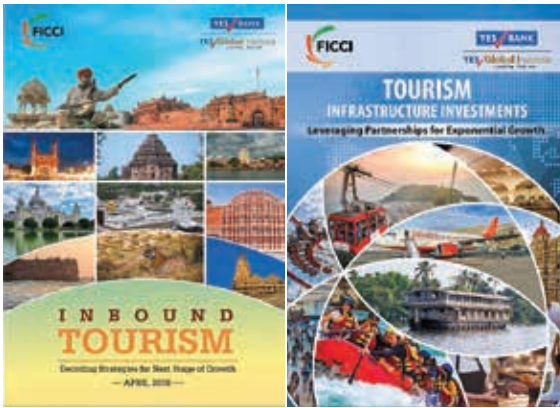
- ▲ Mandated to develop Knowledge Report on Dholera Industrial Smart City 'Dholera Industrial City – New Age Destination for Industry 4.0' by Dholera Industrial Development Corporation (DIDCL)
- ▲ Developing the State Logistics Policy for the Governments of Karnataka and Telangana

Events & Partnerships

- ▲ Banking Partner to the Maharashtra Startup Week 2018, Vibrant Gujarat Startup Summit 2018 and Destination Uttarakhand Investors Summit 2018
- ▲ Knowledge Partner for flagship tourism events of FICCI: The Great Indian Travel Bazaar 2018 and Tourism Investors Meet 2018
- ▲ Knowledge Partner for 14th edition of CII MAN'EXE 2018, a flagship conference on Manufacturing Excellence
- ▲ Representation as sector thought leader during the session on 'Tourism Investment' during Make in Odisha Conclave 2018
- ▲ Representation as sectoral thought leader during the session on 'Warehousing & Logistics: Investing in Tamil Nadu' during Tamil Nadu Global Investors Meet 2019

Knowledge reports authored during FY 2018-19 include:

- ▲ Inbound Tourism: Decoding Strategies for Next Stage of Growth
- ▲ Tourism Infrastructure Investments: Leveraging Partnerships for Exponential Growth
- ▲ Smart Logistics: The Next Frontier
- ▲ Advanced Manufacturing Technologies: Next Wave in Manufacturing



Business Economics Banking (BEB)

Indian economy continues to chart a path of healthy economic growth, amid an ever-changing global economic order. A lucid and comprehensive understanding of all trends and nuances of the Indian economy is imperative for the Bank. Towards this, Business Economics Banking (BEB) is the research and knowledge-driven team of YES BANK, which provides authoritative, cutting-edge macro/markets outlook and sector-specific research content, for both external and internal consumption. The team aims to further deepen YES BANK's mindshare, through active participation in client meetings and industry engagements.



Smt. Vasundhara Raje, Former Chief Minister of Rajasthan, releasing the YES BANK – FICCI Knowledge Report 'Inbound Tourism: Decoding Strategies for Next Stage of Growth' in presence of Smt. Rashmi Verma, Former Secretary, Ministry of Tourism, Government of India and Shri Bhupesh Rathore, President & Head, Strategic Government Advisory, YES BANK during The Great Indian Travel Bazaar 2018

The BEB team publishes periodic reports of evolving macroeconomic data and thematic reports on key economic trends. Over the years, primary research and reports published by BEB have been referred to and cited by key stakeholders, including the Government, global investors, media and top clients. As a validation for its expertise, the team won the 'Reuters Most Accurate Forecaster Award' for 2016 for India's economy and continues to remain among the top three forecasters according to Bloomberg rankings.

In 2018-19, BEB shared its outlook on Indian economy and impact on businesses at several events such as BSE's India Foundation: India Economic Summit 2018; MCCI India Economic Forum; Annual Economics Lecture at IOCL, Delhi; L&T Financial Risk Management Workshop; SIAM 13th Looking Ahead Conclave and Economist Huddle NITI Aayog, among others.

NATURAL CAPITAL

Natural capital refers to all renewable and non-renewable environmental resources that the Bank uses to create stakeholder value. It also includes the finance it mobilizes to promote natural resource preservation and climate risk mitigation.

2,705 MW
Capacity RE projects sanctioned

11.38%
Reduction of GHG Emission Intensity

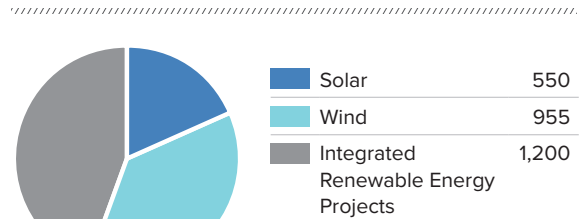
744
ISO 14001:2015 certified green facilities

Natural capital has always been a critical focus area at YES BANK. Guided by its ethos of Responsible Banking, the Bank has always endeavored to be conscious and responsible in minimizing its use of natural resources and impact on natural ecosystems. Its focus on natural capital conservation and climate action has led the Bank to garner one of the largest renewable energy lending portfolios among private-sector banks. The Bank has also taken a lead in reducing carbon footprint, becoming the first Indian bank to be ISO 14001:2015 certified for its robust Environmental Management System. Additionally, YES BANK has been at the forefront of mainstreaming the protection and conservation of India's rich natural capital by becoming the first Indian signatory to the Natural Capital Declaration; the first Indian Bank to join the Natural Capital Coalition (NCC); and a founder member of the UNEP FI Principles for Responsible Banking.

areas such as energy efficiency, renewable energy and gender financing.

Renewable Energy Lending & Advisory

Government of India has expanded its Renewable Energy (RE) capacity target to 175 GW by 2022. Aligning itself to Government policies, YES BANK has sanctioned credit for establishing RE projects of capacity 2,705 MW for FY 2018-19. RE projects sanctioned during the year are broadly categorized as:



Positive Impact Finance

YES BANK believes that Financial Institutions (FI) can play a major role in driving climate action by adopting proactive approaches towards climate finance.

The Bank's holistic climate strategy encompasses the launch of innovative green financial mechanisms, the integration of sustainability principles into operations, and establishing its credentials as a green bank among sustainability-focused investors.

In February 2015, YES BANK committed to mobilize USD 5 billion toward climate action till 2020, with specific sector-wise targets. The Bank has already surpassed its target of financing 5 GW of Renewable Energy (RE) projects, by an additional 1.8 GW.

With an aim to mainstream sustainable finance, YES BANK has, over the years, developed long-term partnerships with leading global development financial institutions such as International Finance Corporation; Overseas Private Investment Corporation; Asian Development Bank; Netherlands Development Finance Company (FMO); Development Bank of Austria (OeEB) and European Investment Bank, among others. These partnerships help the Bank in promoting financing opportunities in

Powering Solar Projects

The Bank is an associate organization that supports the International Solar Alliance (ISA). In FY 2017-18, the Bank committed to mobilize USD 1 billion till 2023 and USD 5 billion till 2030 toward financing solar energy projects in India. YES BANK is on track to meet this commitment and already financed USD 1.75 billion in FY 2018-19.

During FY 2018-19, the Bank's key transactions to support sustainable use of natural capital included:

- ▲ Underwriting of term debt of ₹337.5 crore along with Letter of Credit (LC) / Stand By Letter of Credit (SBLC) sublimits for 100 MW solar project in Bhadla Solar Park, Rajasthan
- ▲ Underwriting of term debt of ₹4,711.3 crore along with Letter of Credit (LC) / Stand By Letter of Credit (SBLC) sublimits for 1,200 MW pump storage plant in Andhra Pradesh (part of Integrated Renewable Energy Project)
- ▲ Underwriting of term debt of ₹807 crore along with LC sub-limits for 200 MW solar project being setup in Bhadla Solar Park, Rajasthan

- ▲ Underwriting of term debt of ₹170 crore along with LC sub-limit for 30 MW wind project being setup in Gujarat
- ▲ Underwriting of term debt of ₹600 crore along with LC sub-limit for 200 MW solar project being setup in Bhadla Solar Park, Rajasthan
- ▲ Underwriting of term debt of ₹1,328 crore along with LC sub-limit for 250 MW wind project being setup in Gujarat
- ▲ Non-Fund based (LC) facility of ₹1,234 crore toward procurement of equipment for 250 MW wind project in Gujarat
- ▲ Refinancing of ₹2,313.6 crore term debt for 365 MW operational wind projects & 50 MW operational solar project under 7 special purpose vehicles and additional top-up term debt of ₹467 crore for further capital expenditure
- ▲ Underwriting of term debt of ₹228.5 crore for 60 MW wind project to be implemented in Rajasthan

Sustainable Investment Banking

Sustainable Investment Banking (SIB) is a knowledge-focused vertical at YES BANK. It provides investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environmental services, healthcare, and education. SIB specializes in private equity fund raising, mergers & acquisitions, technology transfer, business advisory and corporate restructuring, among others. It has successfully completed 36 transactions, amounting to a transaction value of over USD 7.5 billion. During the reporting period, SIB successfully closed the following transactions:

- ▲ Acted as an exclusive advisor to SREI Infrastructure Finance Limited for sale of their 60 MW wind portfolio to ReNew Power Limited
- ▲ Acted as an exclusive advisor to Kiran Energy Solar Power Private Limited for sale of their 85 MW solar portfolio to Hinduja Group
- ▲ Exclusive buy side advisor to Nayati Healthcare Group for its acquisition of OSL Healthcare (600 bed under-construction hospital in Gurugram & 75 bed operational hospital in South Delhi) and SLJ Hospital (200 bed hospital in North Delhi)

SIB represented YES BANK's strong sector expertise and thought leadership in the renewable energy and sustainability sectors at key conferences and seminars like RE Assets India 2019.

Environment and Social Policy (ESP)

YES BANK believes that it is critical for banks to have an established framework to recognize, evaluate, monitor, and manage the environmental and social elements in its day-to-day decision-making. It is becoming increasingly imperative for banks to consider the 'sustainability dimension' while making credit decisions. In line with its Responsible Banking strategy and practices, YES BANK has been adopting a precautionary approach to environmental and social impacts, resulting from its lending activities. The Bank's Environment and Social Policy (ESP), implemented in 2006, provides a structured approach towards responsible lending.

The ESP is an integral part of the Bank's Environment & Social Management System (ESMS). It sets out an overarching framework for the identification and management of potential and/or existing Environmental and Social (E&S) risks commensurate with the nature and scale of transactions and their potential impacts. Through this policy, the Bank integrates environmental and social risks into its overall credit risk assessment architecture, which goes beyond the realm of financial risk mitigation. It has voluntarily adopted the policy, based on international frameworks such as the Equator Principles and IFC guidelines. The ESP is a crucial part of the Bank's credit risk appraisal process and the Bank further continues to mainstream environment and social consideration across its lending through strengthening ESP integration with overall credit risk assessment structure.

Achieving operational environmental excellence

In 2014, YES BANK became the first bank in India to receive the ISO 14001:2004 certification for bringing down resource usage, waste generation & disposal costs, energy consumption, and implementing environment friendly practices. In 2017, YES BANK became the first bank globally to migrate to the ISO 14001:2015 standard for its Environmental Management System (EMS). The latest ISO 14001:2015 standard further expands the scope of the Bank's commitment to the environment through a greater emphasis by leaders to implement EMS, a better strategic fit to incorporate environmental risk mitigation, integrating environmental impacts in Life Cycle Thinking, and driving effective internal and external stakeholder communication. As on March 31, 2019, YES BANK is leading the BFSI sector globally with the highest number of ISO 14001 certified green facilities with 744 certified locations, including 4 corporate offices, YES Securities and the Abu Dhabi Representative Office. This marks the latest milestone achieved by the Bank in its journey in becoming a leading environmentally friendly bank.

YES BANK is committed to continuously benchmark and enhance its environmental performance through strategic reduction of its carbon footprint intensity in order to fulfil its environmental obligations and stakeholder expectations towards supporting sustainable growth.

Digital & Paperless Banking

The Bank continued its efforts to gradually move towards paperless banking, by digitizing paper-based products and processes, wherever possible. Its key initiatives during the year included:

- ▲ **E-Letters:** The Bank launched the service of E-letters for Retail Asset Products. This has enhanced the service quality moving into digital platform & to provide seamless customer experience. It has significantly reduced the turnaround time from 3 days to 1 day, thus also avoiding the potential use of ~2,18,351 A4 sheets of paper and 90,797 envelopes in FY 2018-19
- ▲ **Digital Post Disbursal Documents (PDD):** The Bank launched the YES PDD application, in collaboration with Bank's outsourced partner, aiming to reduce paper used in post disbursal documents copies through digitization of documentation and verification. It has saved over 1,77,750 sheets of A4 size paper in the Bank's retail operations in FY 2018-19
- ▲ **Launch of DIGI LAS and INF:** In FY 2018-19, Bank has simplified its loan account opening process and launched DIGI LAS and Inventory Funding (INF) process which has resulted in:
 - ▲ Online viewing of statement of account for inventory funding
 - ▲ Customized documents as per different facility type & constitution for inventory funding
 - ▲ Minimising customer signatures on agreement for loan against securities
 - ▲ Auto population based on single data source in multiple documentation
- ▲ **Document Digitization:** The initiative, in collaboration with the Bank's partner NEWGEN, aims to reduce paper used in account opening and verification forms through digitization of documentation and verification. It has saved over 75,000 sheets of A4 size paper in the Bank's retail operations in FY 2018-19
- ▲ **Click to Happiness:** The Bank's digital personal loan system for employees processed 782 loan applications in FY 2018-19, thus avoiding the

potential use of ~70,380 A4 sheets of paper

- ▲ **YES BOTS:** YES BANK has digitized Electricity Bill Payments processing using Artificial Intelligence (AI) Enabled BOTS. This new platform is being used across YBL branches pan India to raise and process electricity payments to be made to DISCOMS. Key features include online approval workflow, timely processing eliminating manual errors/omissions with centralized repository for easy tracking of claim status and more importantly moving away from paper documentation. The initiative, operational since November 2018, has resulted in total paper savings of 26,250 A4 size sheets
- ▲ **YES PAYMENTS:** The Bank has digitized employee reimbursement claims, such as mobile phone, local conveyance, outstation travel, staff relocation, through an internal YES PAYMENTS platform. The initiative in FY 2018-19 has resulted in total paper savings of approximately 3,95,005 A4 size sheets through online mobile & local conveyance reimbursements
- ▲ **Employee Self-Service (ESS) Portal:** In line with the HCM Digitalization roadmap which leverages innovation, automation and continuous process improvements to deliver superior experience and drive efficiency & engagement, YES BANK implemented the enhanced process for submission of Investment proofs & LTA reimbursement process. The new process incorporates changes in terms of online submission of proofs through ESS Portal. This program aims to reduce paper work, delay in receiving the documents by courier, reduction in manual tracking of documents and adds value to employee experience. The initiative in FY 2018-19 has resulted in total paper savings of 85,000 A4 size sheets.

Reduce, Reuse and Recycle

During the year, the Bank continued its focused efforts in resource consumption reduction and has recycled 8.5 tonnes of dry waste resulting in 11.33 MT of carbon footprint reduction.

Managing E-Waste

Owing to its high dependency on technology, E-waste is a primary environmental concern for YES BANK. Thus, the Bank has empanelled Pollution Control Board authorized third-party e-waste handlers for disposal of e-waste from its locations across India. During FY 2018-19, the Bank responsibly disposed 1,658 kg of assets as e-waste, which included desktops, printers and laptop hardware, UPS, and server hardware.

Infrastructure – Key Steps to Enhance Resource & Energy Conservation

YES BANK has been increasing investments in technology to renew existing infrastructure, improve performance and enhance resource & energy efficiency.

- ▲ The Bank has been migrating to LED lighting in phases. In present financial year 3,592 LED units have been replaced, potentially saving annual energy of 20,775 KW
- ▲ The Bank is in the process of phasing out air-conditioning systems that use ozone depleting coolants, and in the current reporting cycle, the Bank has initiated the process to replace all air conditioners that are more than 10 years old with energy efficient (star rated) systems that use eco-

friendly coolants, thus reducing its environmental footprint, which have potential saving of 10 to 15 %

- ▲ The Bank is in the process of phasing out signages using tube-lights with energy efficient LED's which have potential saving of 20 to 25 %. In FY 2018-19, it has been completed across 70 branches
- ▲ YES BANK's energy management initiatives aim at reducing 15-20% energy consumption by introducing Energy management system, wherein the consumption will be monitored centrally using IoT
- ▲ YES BANK has explored the potential of using alternate sources of energy by installing 5 KVA solar system at Pune Bundh garden branch, which has a potential to generate 7,200 units annually. YES BANK would continue to explore alternative sources of energy in future

YES BANK GHG Inventory	FY 2018-19	FY 2017-18	FY 2016-17
Scope 1 – Diesel (tCO₂e)[#]	905.38	921.03	942.44
Diesel Consumption (Litre)	342,345.83	348,263.61	356,359.05
Scope 1 – Refrigerant (tCO₂e)^{##}	2,172.92	2,059.04	1,349.30
Scope 2 – Emission (tCO₂e)^{###}	30,453.16	29,668.27	34,226.39
Grid Electricity Consumption (MWh)	37,138.00	36,180.82	41,739.50
Total Emission (Scope 1+2) (tCO₂e)	33,531.46	32,648.34	36,518.13
Total FTE as on March 31, 2019	21,136	18,238	20,125
Emission Intensity (tCO₂e/FTE)	1.59	1.79	1.81
% Reduction of Emission Intensity YoY	11.38	1.35	16.50
Total Scope 3 Emissions (tCO₂e)	45,823.67^{###}	4,420.89[*]	2,642.23[*]

[#] Scope 1 emissions include 10% refrigerant leakage from the AC systems. The emission factors and GWP (Global Warming Potential) values have been taken from GHG protocol. The cost of diesel consumed pan bank is converted in quantities consumed by using state-level diesel prices. Like 2012-13 (base year), we have used operational control approach for measuring and managing these emissions.

^{##} Grid Electricity Consumed has been calculated from the electricity bills. Scope 2 emissions includes negligible emissions generated by electricity consumption by YES Securities Ltd., a subsidiary, since it is operating out of same NOC Mumbai building premises, and currency chests.

^{###} In addition to business air travels, this year, emissions through daily commute by employees, paper consumption, couriers (assuming 1 envelope and 1 A4 paper per courier), and electricity consumption at outsourced data centres are also included in Scope 3 emissions.

^{*}Scope 3 for FY 2018 & 2017 constituted business air travels only.

Note: Scope 2 emissions include CO₂ emissions from electricity consumed by YES BANK. The emission factors have been taken from CEA's (Central Electrical Authority) CO₂ database, version 13. The cost of electricity consumed pan bank is converted in quantities of electricity consumed by using state level tariffs, wherever required. Like 2012-13 (base year), we have used operational control approach for measuring and managing these emissions.

As a service sector organization, the Bank is reporting specific GHG intensity covering its Scope 1 and Scope 2 emissions, which comprise its significant energy usage, linked with GRI Standard 305 requirements. Given the disclosure, the Bank does not separately report the energy intensity.

Water Footprint

Considering the nature of the Bank's business and locations it operates in, there are no significant negative impacts on the communities around its areas of operation, and the Bank's primary consumption of water is for drinking and municipal purposes.

Based on the assumption that approximately 45 litres of water is consumed per employee per day (Source:

IS 1172:1993-Code of Basic Requirements for Water Supply, Drainage And Sanitation) the Bank has estimated that in 2018-19, the water consumption at all its facilities was approximately 235,510.695 m^{3*} in 2018-19. The Bank encourages branches to lead their own mitigation initiatives and shares best practices across other branches.

^{*} Estimated number of working days per employee calculated excluding weekends, annual leaves, public holidays and averaged sick leaves

CLIMATE DISCLOSURE



YES BANK was the first Indian banking signatory to the CDP and has been reporting its carbon emissions since 2009. Backed by its enhanced disclosures on emissions and backed by a clear climate action strategy, the Bank has been recognized as a Climate Disclosures Leader consistently.

YES BANK, is a strong proponent of ESG disclosures, and welcomes the recommendations on climate related financial disclosures by TCFD. In June 2018, YES BANK became the first Indian Bank to release enhanced sustainability disclosures aligned to TCFD recommendations



Natural Capital Risks & Opportunities



After having supported the development of the Natural Capital Protocol's (NCP) Finance Sector Supplement (FSS), YES BANK applied the Supplement on its green bonds to study their alignment to natural capital concerns and measure the impact and dependencies of the projects funded by these bonds. The Protocol was also used to understand the risks and opportunities arising from their use and investment of the proceeds.

It was established that policies and processes put in place to mitigate natural capital risks that may arise from the projects' operations, are adequate. The Green Bonds are also aligned with NCP FSS to a high degree. The green projects funded by the proceeds of Green Bonds issued by YES BANK will annually generate around 2.35 million Mwh of electricity, which is equivalent to the volume of electricity required to light up around 2.32 million households in India, in a year. To read more on the detailed impact, please refer to pages 116-117 in this annual report.

Natural Capital Awards 2018

The 4th edition of YES BANK's Natural Capital Awards was announced on World Environment Day at Natural Capital Forum organized by Natural Capital Coalition (NCC), World Wildlife Fund (WWF), and YES BANK. Launched in 2013, the awards platform has been instrumental in mainstreaming the natural capital dialogue in India by showcasing best practices in natural capital consumption, accounting mechanisms, and conservation within industry, academia, and civil society. The platform went beyond its core objectives of recognizing leaders in the natural capital domain and brought together like-minded stalwarts from various stakeholder groups.

This edition of the Natural Capital Awards ceremony was the Bank's first carbon neutral event and was organized in partnership with the Ministry of Environment, Forest & Climate Change (MoEFCC), Ministry for Development of North Eastern Region (DoNER) and National Mission for Clean Ganga (NMCG), in New Delhi. As partners for the awards, State Governments of Arunachal Pradesh, Assam, and Sikkim and Embassies of France, the Netherlands, Spain, and Switzerland shared their experiences on the policy aspect of natural capital. The award ceremony saw insightful dialogues from high-level dignitaries such as H.E. Mr. Marten van den Berg, Ambassador of the Netherlands to India; H.E. Mr. José Ramón Barañano Fernández; Ambassador of Spain to India; H.E. Mr. Andreas Baum, Ambassador of Switzerland to India; Mr. Rajiv Ranjan Mishra, Director General, National Mission for Clean Ganga; Mr. John Lelliott OBE, Chairman, Board of Directors, Natural Capital Coalition; Mr. Kamal Singh, Executive Director, UN Global Compact Network India and Mr. James Newcomb, Managing Director, Rocky Mountain Institute, among others. It also saw participation from governments, various industries, wildlife conservationists, photographers, civil societies, academia, and multilateral agencies. Mr. Suresh Prabhu, Hon'ble Minister for Commerce & Industry and Civil Aviation, addressed the august gathering through a video message highlighting the importance of natural capital.

In 2018, the awards witnessed an overwhelming participation from individuals, with more than 38,832 photograph submissions and 760 organization entries across the six categories. Third-party evaluation was carried out by program partners, and an esteemed jury comprising nature conservationists, photographers, environmentalists, industry stalwarts, sustainability professionals and experts from multilateral agencies chose the final winners. Mr. Pawan Kumar Chamling, Hon'ble Chief Minister of Sikkim, was awarded the 'Nature Leader of the Year' for his contribution toward natural capital in Sikkim.

As a run up to Natural Capital Awards, YES BANK together with United Nations (India) organized a roundtable on 'Mobilizing Sustainable Finance in India', at the United Nations (UN) Headquarters in New Delhi. Chaired by the

then Head of UN India, Mr. Yuri Afanasiev, the roundtable was attended by development financial institutions, investors, government and stock exchanges, among several other industry leaders.



The winner of Trailblazer category being felicitated by (L-R) Mr. Nikhil Sahni, Group President, Multinational Corporate Banking, Government Banking, Strategic Government Advisory and Food and Agri Strategic Advisory and Research, Ms. Namita Vikas, Group President and Global Head, Climate Strategy & Responsible Banking, Mr. Rajiv Ranjan Mishra, Director General, National Mission for Clean Ganga, Mr. Pierre Jacquet, President, Global Development Network, Mr. James Newcomb, Managing Director, Rocky Mountain Institute, Mr. John Lelliott OBE, Chairman, Board of Directors, Natural Capital Coalition



(L-R) Winning photos by Bajju Patil, Nikhil Tembekar, Narendra Kumar Pandey

HUMAN CAPITAL

Human capital refers to the value of employees' competencies, their motivations to innovate, their knowledge and experience and their capability to utilize these to meet stakeholder needs. It also includes development programs undertaken for employees.

21,136

Total Employees

709,174

Training hours

5,410

Training programs

16,132

Employees trained

YES BANK's human capital philosophy focuses on creating the right mind-set to enable business performance, by empowering and encouraging YES BANKers to push their boundaries beyond their comfort zones, and embrace challenges and drive growth, thereby deepening mind share and enhancing market share.

YES BANK follows the 5C Engagement Model comprising Culture, Communication, Career, Connect, and Care to engage its growing workforce.

Human Capital Initiatives

YES CLUB

YES CLUB was launched across the Bank's hub branches with the objective of encouraging an atmosphere of fun and camaraderie and provide YES BANKers a platform to showcase their talent and creativity. It facilitates participation in activities around three broad themes: social, cultural and sports.

Since its launch in FY 2017-18, YES BANKers across the Bank's 262 hub branches have organized and participated in activities such as sports tournaments, adventure sports and trekking, arts and crafts exhibitions, photography contests and employee volunteering activities. YES CLUB is also the primary driver of initiatives focused on building a culture of holistic well-being among YES BANKers. Under this agenda, several wellness-focused activities such as medical screening camps; health talks in partnership with reputed medical institutions; wellness knowledge campaigns; workshops on emotional well-being, meditation, stress management, Yoga, Zumba; and functional training sessions like chair yoga and chair cardio are undertaken.

Encouraging Gender Respect: Say YES to G.R.A.C.E

Through the robust 'Say YES to G.R.A.C.E' (Gender Respect and Commitment to Equality), framework, the Bank creates awareness while periodically disseminating and reiterating the Bank's Policy for Prevention of Sexual Harassment, which is in line with 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and

Redressal) Act & Rules, 2013'. G.R.A.C.E. also reaffirms the Bank's commitment to being an equal opportunity employer. The Bank has internal committees to investigate and inquire into sexual harassment complaints in line with The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Women-Centric Initiatives

Maternity benefits: The Bank provides maternity benefit of 26 weeks to female executives to celebrate motherhood and bonding. In addition, to celebrate the special moments of motherhood, the Bank presents gift vouchers for the newborns to all new mothers resuming duty post maternity leave. The Bank provides equal opportunity to female executives during maternity period and on resuming duty post maternity, Crèche Benefit Policy for women executives are provided as per the provision of the Maternity Benefit Act, 1961.

Rewards and Recognition: YES League of Excellence

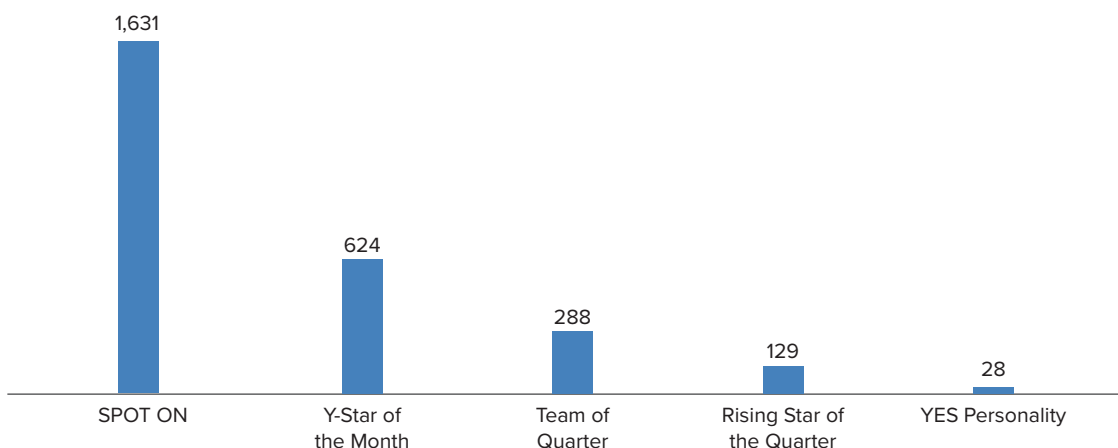
Rewards and Recognition is driven digitally through an online portal called the 'YES LEAGUE OF EXCELLENCE'. It provides a formal recognition platform to recognize and reward excellence at YES BANK and in turn create a 'Culture of Appreciation'. All YES BANKers have the option to appreciate and wish their colleagues on achievements or occasions. Reporting managers can nominate team members for rewards such as Y-Star of the month (Employee of the Month), basis performance. (Refer Award Categories chart)

Employee Performance Management

The Bank manages the performance of executives, ensuring timely, unbiased and transparent appraisal process for all executives. The Bank follows an annual performance review cycle, with eligible executives undergoing a multi-level performance valuation. The Bank evaluates performance purely on merit.

Awards and Accolades

- ▲ YES BANK has been awarded the coveted 'Golden Peacock National Training Award' in April 2018 at

AWARD CATEGORIES

the '28th World Congress on Leadership for Business Excellence & Innovation' & Golden Peacock Awards, organized by Institute of Directors (IOD) in Dubai. The Award identifies excellence in training practices; shows how effective training improves business & individual performance and provides role models from all parts of Indian corporate life.

- ▲ YES BANK has been awarded the No.1 'Dream Company to Work For & Best Employer of the Year' at the 27th World HRD Congress held in Mumbai in Feb 2019 after a rigorous multi-stage selection process among 800 participating companies.
- ▲ YES BANK Transformation Series 2018 won the award for the Fourth Most Prestigious B-School Competitions in March 2019. This award was presented by Dare2Compete in association with CNBC TV18.

Listening to Employees

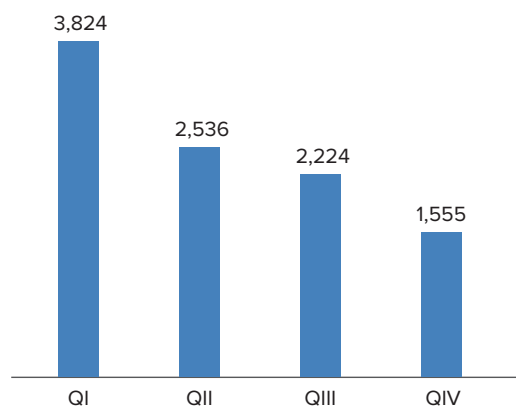
'HCM HelpDesk' was designed in line with the Bank's objective to provide a consistent and superior service experience to its employees. It is a simple and easy-to-use platform that allows employees to raise all HCM-related (Human Capital Management) queries and concerns through email, voice call (Interactive Voice Response), ChatBot and a query management system. The platform then offers satisfactory closure to these concerns.

A unique toll-free Interactive Voice Response (HCM IVR) facility (1800 2000 515) was launched for all YES BANKers, as part of the Bank's continued efforts to improve human capital service delivery. It enables

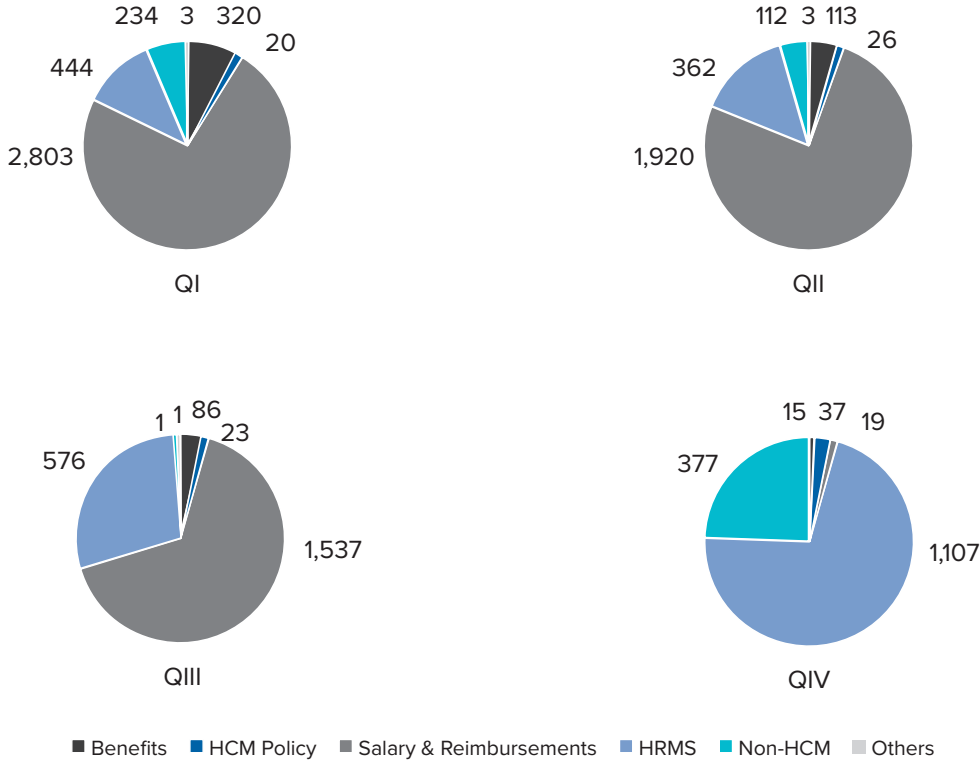
employees to address all HCM related enquiries. An Employee Query Management System (EQMS) was also launched to leverage technologies and further enhance HCM service delivery through structured and timely query resolution.

During FY 2018-19, YES Bot, an AI-enabled ChatBot for instant employee query resolution was implemented. The Bot has also been integrated with YES for YOU Mobile (HCM App) for a single touch access.

HCM HelpDesk aims at providing employees a direct access to the Bank's HCM team. The charts below depict the extensive use of the tool for various categories for FY 2018-19.

TOTAL NO. OF QUERIES (NOS.)

COUNT OF CATEGORY QUERIES – CATEGORY-WISE DISTRIBUTION



Learning & Development YES School of Banking (YSB)



In today's disruptive digital era, it is critical to build a high-quality, robust talent pool with adaptability skills for the changing needs of the workplace for a sustained competitive advantage. YES BANK has always emphasized on a knowledge-driven approach for visualizing the future and bringing that future to the present. It focuses on developing the capacity and capability to nurture the brightest and best quality talent. This is the cornerstone of YES BANK's evolution as the 'Professionals Bank of India'. Key Human Capital, organizational development and learning initiatives at YES BANK are domiciled under the aegis of YES SCHOOL OF BANKING (YSB). Institutionalized in 2007, YSB was created with a vision to build a 'Centre of Excellence' for learning solutions in banking and related areas.

YES School of Banking is the only Learning & Development function in India to be accredited with the latest Dual ISO Certification (ISO 9001:2015 and ISO 29990:2010).

My Learning@YES

My Learning@YES, the Bank's online Learning Management System (LMS) in partnership with Cornerstone On Demand, supports digital learning and class room sessions. MY LEARNING @ YES provides learners increased access to learning content (in-house courses and externally integrated content partner like Coursera), learning scorecards measure actualization against learning path and assign learning credits to learners. The system also has the capability of social learning, advanced reporting & analytics, conducting and managing classroom trainings, attendance tracking and training schedule management in addition to accessing the e-learning modules. The LMS also has a mobile first approach enabling learning on the go, allowing users to go through modules and appear for tests from the app ensuring better time utilization. Additionally, the system has features like a versatile training calendar, training schedule management, feedback mechanism and management information system.

Major Learning Modules

Some of the major learning modules initiated by the YES School of Banking are:

RBI - Regulatory / Compliance Mandatory Programs

1. RBI Mandate

- ▲ RBI Capacity Building in Banks and All India Financial Institutions (AIFIs)
- ▲ Institute for Development and Research in Banking Technology (IDRBT) Certifications for Board of Directors, CXOs, and select Top/Senior Management

2. Risk Management trainings

- ▲ Credit Skills Assessment – CRISIL
- ▲ Exposure to best-in-class industry knowledge and subject matter expertise: Centre for Advanced Financial Research and Learning (CAFRAL), National Institute of Bank Management (NIBM), National Institute of Securities Markets (NISM), College of Agricultural Banking (CAB), Indian Institute of Banking and Finance (IIBF), Foreign Exchange Dealers Association of India (FEDAI) and Fixed Income Money Market and Derivatives Association of India (FIMMDA), among others.

3. Compliance Initiatives

- ▲ RBI Master Circulars (classroom + e-learning)
- ▲ Supervisory Programme for Assessment of Risk and Capital/ Risk Based Supervision/ Governance sessions
- ▲ Infosec / Business continuity planning / Operational Risk Management / Enterprise risk management trainings

SUPERCOP (Super Certified Operations Professional) Certification

SUPERCOP is a 'gold standard operations certification' for select YES BANKers from Operations Service Delivery (OSD) team. It aims to create an elite team of cross-functional experts who understand and manage end-to-end operations. The program encompasses cross-functional training across critical operations roles, external certifications, service orientation, leadership training, design thinking and innovation workshop, and exposure to professional-technology programs to hone the participants' skills for future.

Relationship Manager (RM) Training Certification Roadmap

A one-year certification program was launched for relationship managers of Corporate Businesses to become a well-rounded 'knowledge banker'. The program is conducted across locations with several training interventions, which are mentioned below:

1. STEP-UP Series – a unique onboarding program
 2. Winning Through Sales & Negotiations
 3. Credit Skills Assessment and Report Writing – through CRISIL
 4. Sector-Specific Knowledge Sessions by Industry experts from CRISIL, ICRA and others
 5. Product Boot Camps
-

Professional Technology Programs (PTP)

YES BANK organized a series of training interventions under the 'Professional Technology Programs' umbrella to enhance YES BANKers' 'digital quotient', to help them remain relevant in changing times and be 'future-ready'. The programs have resulted in:

- ▲ Increased awareness, appreciation and application of the emerging technologies disrupting the banking eco-system
- ▲ Contributed significantly in offering various differentiated digital financial solutions to corporate and retail customers
- ▲ Enhanced knowledge by gaining access to best-in-class learning through a blended-learning approach by partnering with NIIT, COURSEERA and FinTech

Leadership and Behavioural programs – Pan Bank

1. **Advanced Leadership Program (ALP):** The Bank successfully concluded its first ever leadership development journey (in partnership with Eruditus Executive Education) towards building holistic and future ready leaders across Top and Senior Management (97 participants). The program provided an immersive and experiential learning journey spread over a period of 6 month across online and classroom modules (4 modules, 2 days per module), each one focussing on a specific organisational priority as follows:

- ▲ Collaboration and Creativity
- ▲ Leading Self
- ▲ Leading People
- ▲ Leading Change

The program was concluded in the presence of the Bank's Top Management. The participants were also addressed by the MD & CEO. The program was highly rated both by the participants and the leaders of the participant's team.

2. **Leadership Development Interventions for Middle Management:** Following the success of leadership development initiatives for the Bank's senior leaders in FY 18-19, 2 exclusive programs for Middle Management leaders were rolled out during Q4. Managers leading teams and handling significant business responsibilities were targeted for these programs. The programs were conducted in partnership with external experts and were well received by the managers:

- ▲ **Leadership Excellence Program (Leading Self):** Managing Business & Developing People- The program focused on relevant managerial challenges such as creating 'A Bias for Action', Managing Stakeholder Expectations, Delegating and giving feedback.
- ▲ **Young Leaders Excellence Program (YLEP):** Leading Self - The program focused on relevant managerial learnings such as understanding values, motives, fears, understanding personality traits, emotional intelligence at work and influencing styles.

3. **HCM Capability Building:** With the objective of strengthening functional knowledge as well as managerial skills for the Bank's HCM team, exclusive programs for HCM Relationship Managers & COE teams were rolled out during Q4. The programs were conducted in partnership with external experts and were well received by the team:

- ▲ Level-1 Accreditation Certification - Harrisons Assessments – The program provided an in-depth understanding of using assessment tools for employee hiring and developmental initiatives. The participants were certified in the assessment methodology after completing relevant post workshop project work.
- ▲ Stakeholder Management – The program focused on relevant HCM challenges such as Managing Stakeholder priorities, Conflict management, Influencing, Articulation, and Assertiveness.

4. **Managing Self:** 1-day classroom program focusing on professional effectiveness was done for Corporate & Support functions for General Management.

Project Impact Workshop

Project Impact was launched as a learning series for branch business leaders and relationship managers with a focus to enhance their business effectiveness enhancement encompassing Business & Service Excellence, Branch Administration, Banking Operations and Regulatory Practices & Consultative Selling Skills

Branch Banking Leaders Masterclass Workshop

It is critical for Branch Banking to continue garnering CASA by fully utilizing the strength, scale, and reach of the Bank's hub-spoke branch network. It is also equally important to explore and convert business from local communities in the branch service area while maintaining laser sharp focus on the branch banking sales strategy. Branch Banking Leaders (BBLs) play a critical role in maintaining the operational health and regulatory compliance at the Bank's branches. The changing dynamics in the branch banking domain and the movement of staff to bigger roles require an effective process training framework for the staff at ground.

Core Objectives

- ▲ Operational Excellence
 - ▲ Mitigation of Compliance Risk
 - ▲ Robust Supervisory Review of Branch Functioning
-

Relationship Managers Consultative Selling Workshop

The workshop was organized to equip Relationship Managers (RMs) with the concept of consultative selling, aimed at building long-term associations with prospective and existing customers. The facilitator will coach RMs on specific information, techniques, and strategies they need for identifying and qualifying prospects, increasing sales, and developing valued relationships with customers

Core Objectives

- ▲ Understanding the importance of behavior management through theatre methodology
 - ▲ Building and managing relationships
 - ▲ Understanding the five stages of HNI customer purchase-decision process
 - ▲ Understanding the process of consultative selling
-

Induction Program

Corporate Induction continues to be YSB's high-impact induction program that orients new employees on key areas that every YES BANKER must be aware of and internalize. The induction program is the first critical training for employees on key regulatory and compliance issues, including Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, Information Security, products & processes, and HCM policies and procedures. During the reporting period, 241 induction programs were conducted for 4,657 executives and 7,832 executives were inducted through the e-learning modules.

Employee Training Programs Conducted

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Total classroom - training programs conducted	5,410	5,035	3,640	2,737
Total executives trained in programs above	16,132	15,568	16,096	12,263
Total executives trained (e-learning)	20,306	16,108	19,758	N/A

Employees Trained by Gender (Classroom)

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Male	13,117	12,811	13,025	9,934
Female	3,015	2,757	3,071	2,329
Total	16,132	15,568	16,096	12,263

Employees Trained by Management Category (Classroom)

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Top Management	57	99	65	139
Senior Management	163	245	127	465
Middle Management	1,960	2,958	2,062	2,881
Junior Management	5,824	7,620	7,517	3,998
General Management	8,128	4,646	6,325	4,780
Total	16,132	15,568	16,096	12,263

Training Hours (Classroom and E-Learning)

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Participant man-hours (classroom)	2,97,871	3,89,159	3,86,856	N/A
Participant man-hours (e-learning room)	4,11,303	3,39,446	5,81,545	N/A
Participant man-hours (classroom and e-learning)	7,09,174	7,28,605	9,68,401	5,67,628
Participant man-hours* per executive	33.55	39.95	48.12	37.84

* - includes man-hours of executives who resigned in reporting period

Average Training Hour (Classroom and E-Learning) – Gender

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
Male	33.05	39.35	46.91	N/A
Female	35.79	42.67	53.49	N/A
Total	33.55	39.95	48.12	N/A

Average Training Hour (Classroom and E-Learning) – Category

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
General Management	41.26	48.47	62.01	N/A
Junior Management	27.79	40.48	45.77	N/A
Middle Management	17.04	26.62	24.62	N/A
Senior Management	29.66	19.23	11.46	N/A
Top Management	22.78	10.13	10.90	N/A
Total	33.55	39.95	48.12	N/A

Training Target/ Plans for Next Year

- ▲ **Role-Wise Certifications** (mandatory) on **Capacity Building, IT and Cyber Security** for select BUs; in addition to BU specific certifications for select roles
- ▲ **Focus on Business Priorities** i.e. **Compliance, Regulatory, Productivity, Cross Sell, Behavioral Skills** and **Service Culture**
- ▲ **Setting up of Talent Academy** (in partnership with external institutes) to build a robust talent pool for all levels for meeting future talent requirements
- ▲ **Leadership Development Framework** for all Management Bands across all BUs focused on Leadership role transitions
- ▲ **Professional Technology Programs** in partnership with best-in-class external training partners to equip select YBL Executives on 'Emerging Technologies' in the banking eco system

University & School Relationship Management (USRM)

University and School Relationship Management (USRM) is a structured, sustainable, and scalable engagement program to create and maintain mindshare for YES BANK among students from top business schools of India, thereby positioning the Bank as a preferred employer.

YES BANK Transformation Series



The winners of YES BANK Transformation Series 2018

YES BANK Transformation Series is a platform for students from business schools and tech institutes to step into the shoes of business leaders and provide innovative solutions to live challenges faced by India Inc. The initiative is a part of YES BANK's efforts to help make India's youth future-ready by instilling entrepreneurship and innovation.

With collaboration and co-creation at its core, YES BANK partnered with 12 global leaders for the 7th edition of Transformation Series to identify priority areas that need focus through scalable innovative solutions. Having addressed three key aspects of the economy – FinTech, Smart Cities, and Social Development last year, the 7th edition of the competition explored focus areas brought together by global innovators like Adobe, Cisco, Microsoft, Shell, United Nations Development Program and Indian pioneers like Big Basket, BookMyShow, Sports Interactive, Urban Ladder and T-Hub. This year, the initiative received registrations from 16,000+ student teams across the country.

For the final round, YES BANK partnered with Invest India, a non-profit venture under the Department of Industrial Policy and Promotion (DIPP), Government of India, to help promote cross-border e-commerce for India's crucial MSME sector.

The grand finale of the Transformation Series 2018 was conducted in the month of November 2018. It witnessed top 15 student teams address themes on how to increase B2C exports from India, initiatives to promote India as a leader in MSME exports, and how Indian MSMEs can further leverage global opportunities. IIM Bangalore bagged the first place followed by Indian Institute of Foreign Trade (IIFT) and Shailesh J. Mehta School of Management, IIT Bombay in 2018.

YES Professional Entrepreneurship Program (Y-PEP)



The Y-PEP program is YES BANK's flagship campus recruitment program that endeavors to hire the most sought-after talent from the best business schools in India. The program positions YES BANK as an 'Employer of Choice' across premium business school campuses and helps develop a robust talent pool to drive the Bank's future growth. During FY 2018-19, the Bank hired 29 students for the Y-PEP program from 19 top campuses of the country. This highly qualified talent pool has contributed to consistently augmenting and supporting the Bank's knowledge based, state-of-the-art technology-driven services across key banking relationships, products, knowledge advisory groups, and critical support functions. Since its inception, the program has inducted over 1,000 top talent from premier business schools.

YES – Emerging Professionals Entrepreneurship Program (Y-EPEP)

During Q4 the Bank has on-boarded 51 Y-EPEPs for a two month long internship programs (April & May 2019). Offer letters for the Y-EPEPs were released during the quarter and a two day engaging induction was planned for them. The induction was planned keeping the objectives of introducing the interns to YBL and help them experience our immersive culture.

YES Future Ready Scholarship Program

YES Future Ready is a unique scholarship program that identifies 30 students from India's premier B-schools and engineering institutes and awards them a scholarship of ₹2 lakh for consistent academic excellence.



The program offers a structured mentorship program for students to help them transition smoothly from student life to becoming well-rounded professionals, along with essential e-courses that help them significantly augment their skills. The students receive structured mentorship by YES BANK's top management across a span of four months to instill subject knowledge beyond their MBA/Engineering course curriculum.

YES Future Ready 2019 saw more than 5,000 enthusiastic students register for the opportunity. Around 1/3rd of the total registrations were from technology schools. After a rigorous selection process, 30 students were chosen as the YES Future Ready scholars, who will participate in the program from June 2019.

Digitalization Initiatives

- ▲ **YES for YOU Mobile:** The HCM App for employees is aimed at providing employees with mobility, accessibility, convenience and a superior interface. The App will act as a unified interface for performing all transactions and accessing information. YES Bot, an intelligent AI-enabled ChatBot integrated with YES for YOU Mobile for instant employee query resolution.
- ▲ **YES TALENT RADAR:** This is an Artificial Intelligence (AI)-enabled talent screening and acquisition tool. The platform uses Natural Language Processing (NLP) and Deep Learning algorithms, which enhance efficiency, productivity, and quality of hiring. The

application reads the resume line-for-line and determines information, including experience, expertise and education background and then matches these with job description and derives a score representing, the extent of candidate match.

- ▲ **Digital Signature:** The 'Digitally signed e-Offer Letter' has led to approximately 98% of all offers getting digitally signed. This change has resulted in enhanced productivity, superior candidate experience, reduction in carbon footprint, cost saving and improved turnaround time.
- ▲ **YES for YOU Employee Self-Service (ESS Portal):** ESS Portal provides seamless access to key HCM functionalities like extracting/ viewing salary slips, tax forecast, investment declaration and employee reimbursements. The key features of this portal encompass intuitive and user-friendly navigation. It offers mobility to access it anytime and anywhere, outside YES BANK domain from non-YBL device/ terminal. Additionally, the ESS Portal provides enhanced security feature of dual-factor authentication by submitting One Time Password (OTP) sent on the employee's registered mobile number.
- ▲ **Predictive Analytics:** Successfully deployed Attrition Model for various roles using Machine Learning Algorithm (Random Forest) to predict employees that may exit the organization within a stipulated time period. The model was developed on statistical tool using the performance, education, previous experience, leave/attendance data, compensation and other demographic details of the employee. These predictive models will enable to develop an action plan in advance to curtail attrition.
- ▲ **Talocity:** A video interface to evaluate candidates using machine learning, social profile mapping, video analytics, and artificial intelligence engine. Candidates can give video interviews using Android- or iOS-based mobile devices or through web-based interface on Chrome or Mozilla browsers at their convenience and the same can be reviewed by the Bank executives at ease, optimizing the time spent on preliminary interviews.

HUMAN CAPITAL DATA POINTS

Employee Strength

FY 2018-19							
Particulars*	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	47	2	20	1	70
Senior Management	0	0	169	21	8	1	199
Middle Management	7	1	2,080	253	20	1	2,362
Junior Management	1,120	318	5,312	821	3	1	7,575
General Management	4,906	1,773	3,582	668	1	0	10,930
Total	6,033	2,092	11,190	1,765	52	4	21,136

* There was a change in Management Band effective January 1, 2019

Employee Strength by Region FY 2018-19	Number
North	6,597
East	1,119
West	9,620
South	3,800
Total	21,136

FY 2017-18							
Particulars	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	76	10	18	2	106
Senior Management	0	0	238	20	3	0	261
Middle Management	58	18	2,795	386	9	3	3,269
Junior Management	2,321	810	5,054	861	2	0	9,048
General Management	3,162	988	1,207	196	1	0	5,554
Total	5541	1,816	9,370	1,473	33	5	18,238

FY 2016-17							
Particulars	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	76	6	16	3	101
Senior Management	0	0	195	19	7	0	221
Middle Management	54	14	2,529	354	3	2	2,956
Junior Management	2,684	805	5,075	832	3	0	9,399
General Management	4,399	1,428	1,379	241	1	0	7,448
Total	7,137	2,247	9,254	1,452	30	5	20,125

Total Attrition during the Year

FY 2018-19							
Particulars	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	10	1	2	0	18.57%
Senior Management	0	0	14	2	1	1	9.05%
Middle Management	6	1	428	63	1	1	21.17%
Junior Management	737	276	1,287	235	0	0	33.47%
General Management	1,701	623	671	114	0	0	28.44%
Total	2,444	900	2,410	415	4	2	29.22%
Attrition Rates	40.51%	43.02%	21.54%	23.51%	7.69%	50.00%	

Note: Attrition is based on Head Count as March 31, 2019 and includes only voluntary exits.

Total Exits During the Year by Region FY 2018-19		Number
North		2,081
East		402
West		2,539
South		1,153
Total		6,175

FY 2017-18							
Particulars	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	14	0	2	1	16.04%
Senior Management	0	0	25	2	3	0	11.49%
Middle Management	12	4	441	66	0	0	16.00%
Junior Management	1,031	331	1,593	277	1	0	35.73%
General Management	1,951	709	509	98	0	0	58.82%
Total	2,994	1,044	2,582	443	6	1	38.77%
Attrition Rates	54.03%	57.49%	27.56%	30.07%	18.18%	20.00%	

FY 2016-17							
Particulars	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	2	0	0	0	1.98%
Senior Management	0	0	14	1	0	0	6.79%
Middle Management	10	2	261	46	1	0	10.83%
Junior Management	660	225	1,103	165	0	0	22.91%
General Management	1,847	677	480	66	1	0	41.23%
Total	2,517	904	1,860	278	2	0	27.63%
Attrition Rates	35.27%	40.23%	20.10%	19.15%	6.67%	0.00%	

Total Hires during the Year

FY 2018-19							
Particulars	Under 30		30-50		Above 50		Hire Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	2	0	2	0	5.71%
Senior Management	0	0	11	4	2	1	9.05%
Middle Management	6	1	350	37	2	0	16.77%
Junior Management	813	203	1,747	236	0	0	39.59%
General Management	3,452	1,261	1,035	181	0	0	54.25%
Total	4,271	1,465	3,145	458	6	1	44.22%
Hire Rates	70.79%	70.03%	28.11%	25.95%	11.54%	25.00%	

Total Hires During the Year by Region FY 2018-19		Number
North		2,774
East		526
West		4,186
South		1,860
Total		9,346

FY 2017-18							
Particulars	Under 30		30-50		Above 50		Hire Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	5	0	1	0	5.66%
Senior Management	0	0	14	2	0	0	6.13%
Middle Management	28	4	450	56	1	1	16.52%
Junior Management	1,301	466	1,025	157	0	0	32.59%
General Management	1,480	439	160	33	0	0	38.03%
Total	2,809	909	1,654	248	2	1	30.83%
Hire Rates	50.69%	50.06%	17.65%	16.84%	6.06%	20.00%	

FY 2016-17							
Particulars	Under 30		30-50		Above 50		Hire Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	6	1	0	0	6.93%
Senior Management	0	0	26	0	1	0	12.22%
Middle Management	35	4	752	109	1	0	30.48%
Junior Management	2,133	563	2,099	283	0	0	54.03%
General Management	3,558	1,141	475	68	2	0	70.41%
Total	5,726	1,708	3,358	461	4	0	55.94%
Hire Rates	80.23%	76.01%	36.29%	31.75%	13.33%	0.00%	

Note: Employee Profile analysis is based on the database maintained by the Bank's HCM units, which may differ from the Bank's total headcount on a particular date. HCM data does not include employee of YES FOUNDATION and Yes Securities (India) Limited.

No significant variations were observed in the employment related data reported above.

Return to Work after Parental Leaves

Particulars	FY 2018-19		FY 2017-18		FY 2016-17	
	Maternal	Paternal**	Maternal	Paternal**	Maternal	Paternal**
Employees taking Parental leave	204	1118	172	1088	148	1005
Employees resuming work	198	1118	168	1088	144	1005
Employees retained after resuming work in the reporting period	188	1118	162	1088	142	1005
Return to Work Rate	92.2%	100%	94.2%	100%	95.9%	100%
Employees retained 12 months after resuming work	NA*	NA*	110	776	94	743
Retention Rate (after 12 months)^	N/A*	N/A*	64.0%	71.3%	63.5%	73.9%

* To be reported in FY 2019-20 reporting cycle.

** No causal relationship has been determined between Paternal leave and voluntary exits.

^ The percentage of employees retained 12 months after returning to work following a period of parental leave.

MANUFACTURED CAPITAL

Manufactured capital is the Bank's tangible and intangible infrastructure, including IT assets, used for value creation through business activities.

1,120
Branches

1,456
ATMs

YES BANK is a public limited company listed on the Bombay Stock Exchange and the National Stock Exchange of India. During the reporting period, there has been no significant change in the Bank's shareholding pattern, the details of which are available in this report on pages 178-180.

Through its pan-India network of branches, ATMs, regional offices and customer touchpoints, supported by a robust 'digital' infrastructure, YES BANK offers a comprehensive range of banking products and services to its entire spectrum of customers. Manufactured capital thus, becomes a critical enabler for the Bank. More information on the Bank's bouquet of products and services is available at its website, www.yesbank.in.

Geographic Footprint

YES BANK is headquartered in Mumbai. It provides seamless banking experience across 1,120 branches and 1,456 ATMs in 29 states and seven Union Territories of India as on March 31, 2019. The Bank's state-of-the-art branch infrastructure and cutting-edge technology enable it to operate with a customer-centric approach. The Bank continues to have centralized back office functions for various business lines served from National Operating Centers (NOC) in Mumbai, Gurgaon and Chennai, including the 'Yes Touch Contact Centre' located in NOC Gurgaon. The YES Touch Contact Centre is an extension of branches to serve customers, with a focus to engage and involve customers by delivering tele-banking services on phone. The Bank has one international representative office in Abu Dhabi, UAE.

YES BANK's Supply Chain

The Bank's procurement practices continue to be centrally driven by the Central Procurement Unit (CPU) and overseen by its Central Procurement Committee. The Bank is focused on its roadmap to mature its vendor management framework in line with the global best practices while ensuring proactive management of strategic supplier partners and adequate risk management. The CPU continues to strengthen its supply chain based on the following principles:

IMPLEMENTING

Supplier Code of Conduct

- ▲ Increased compliance
- ▲ Risk management
- ▲ Strengthening systems, controls, and processes
- ▲ Imbibing sustainable sourcing

The Bank has a diverse supplier base, including suppliers of the key platforms on which the Bank operates. As the Bank is spread across the country, it also procures from local vendors for localized consumption of products and services. The Bank has formed strategic relationships with eminent Indian and global companies, which not only widen business platforms but also lay the foundation for a sustainable future. A comprehensive list of YES BANK's strategic relationships can be accessed at <https://www.yesbank.in/about-us/corporate-partnership>.

The Bank follows the mechanism of segregating its vendors into four categories: Strategic, Critical, Core and Basic. Based on this categorization, the Bank implements its vendor review and risk management practices. YES BANK has put in place processes to ensure Vendor redundancy/ Business Continuity Planning (BCP) for critical spends.

YES BANK has well-established vendor guidelines outlining its vendor selection criteria and compliance with laws of the land in addition to assessing a vendors' credibility, capability and cost to deliver. As part of the Bank's stated objective and commitment to implement best practices in Corporate Governance, the Bank has a web-based 'Corporate Whistleblower Initiative' (CWI) which is an independent online reporting service aimed at facilitating secure and confidential communication between the Bank and its vendors.

During FY 2018-19, the Bank continued with its efforts of increasing its Spend Penetration (Spends Influenced/Addressable Spends) and several cost management initiatives were identified based on spend analytics to optimize cost structures. To meet the goal, the procurement team in collaboration with various operations/ functional units looks for opportunities for value engineering and innovative solutions. To maximize sustainable sourcing practices, various initiatives have

been identified to reduce power consumption and use of paper products, details of which are available on pages 38-39 of the Annual Report.

In line with YES BANK's vision of digitalization of processes and further strengthening sourcing, contract management and vendor performance management, the Bank implemented the following processes in FY 2018-19:

- ▲ SAP Ariba e-Sourcing platform
- ▲ Contract Management module
- ▲ Supplier Lifecycle Process module
- ▲ Centralization of procurement operations

The e-sourcing platform is helping the Bank bring in fair and transparent sourcing processes. The Bank intends to increase the usage of this platform in a phased manner and institutionalize the process.

A breakdown of the Bank's expenses under various operational heads, including services provided by its supply chain is available on page 204 of this report.

Supply Chain Sustainability

As the first Indian banking signatory to the UN Global Compact, YES BANK continues to abide by the 10 Principles of the Compact covering: human rights, labor, environment, and anti-corruption. The Bank uses these principles as a foundation for building its sustainable supply chain practices.

The Bank believes that its suppliers are an integral part of its ecosystem and constantly strives to optimize its strengths with the competencies of its supply chain partners.

In FY 2017-18, YES BANK adopted a Supplier Code of Conduct, based on Environmental, Social and Governance (ESG) parameters, defining the Bank's commitment to human rights, fair labor practices, environmental progress, and anti-corruption policies.

Through this initiative, the Bank continues to encourage its suppliers to support its sustainability agenda, and expects its supply chain partners to comply with the applicable laws of the land and adhere to internationally recognized ESG standards. The Bank has also promoted the use of an ESG self-assessment tool, among its suppliers to help them understand their current practices and identify areas for improvement.



YES BANK's Supplier Code of Conduct integrates sustainability priorities in its supplier base

Workplace Technology Mobility

YES BANK has invested and implemented state-of-the-art technology initiatives since its inception. The Bank's philosophy is to partner companies with highly competitive products and established businesses, and develop specific solutions that become differentiators in the marketplace.

Optimizing IT asset use in service organizations is emerging as a global best practice aimed at lowering operational costs and reducing e-waste.

YES BANK has implemented Microsoft Kaizala to ensure smooth and consistent connectivity between its corporate headquarters, branch office employees and field staff. The tool powers the Bank's sales and distribution workforce across the country, enabling the transmission of relevant information such as sales reports or service requests through a mobile app, without the need to be connected to the Branch or Corporate IT network.

The Bank is in the final stages of automating the data entry process for recording sales, leads, and service requests for Inclusive and Social Banking. Through barcode scanning and data capture technology, the new system would help reduce the time spent by the sales team on-field, improve productivity and efficiency, minimize manual errors and enable real-time updates to senior management.

Annual Business Responsibility Report (ABRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L65190MH2003PLC143249
2.	Name of the Company	YES BANK Limited
3.	Registered address	YES BANK Tower, IFC – 2, 15th Floor, Senapati Bapat Marg, Prabhadevi (West), Mumbai, 400 013, Maharashtra, India
4.	Website	www.yesbank.in
5.	E-mail ID	yestouch@yesbank.in
6.	Financial Year reported	FY 2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	As per India's National Industrial Classification 2008 (NIC-2008): Section K – Financial and Insurance Activities Division 64 – Financial service activities, except insurance and pension funding
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	a) Retail Banking b) Corporate Banking c) Treasury
9.	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5)	Two – The Bank has representative office in Abu Dhabi*. The Bank also operates an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
	b) Number of National Locations	The Bank has 1,120 branches, two National Operating Centers in Mumbai and New Delhi, one National Centralized Operations Management and Services Delivery facility in Chennai and 1,456 ATMs, as on March 31, 2019.
10.	Markets served by the Company – Local/ State/ National/ International	YES BANK is a pan-India Bank, with branches and ATMs in all states and Union Territories of India. YES BANK operates one Representative Office in Abu Dhabi (UAE) to enhance its engagement with businesses and Indians in GCC region.

*YES BANK has also received approval from the Reserve Bank of India to open two representative offices in London and Singapore, respectively.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	463.01 crore
2.	Total Turnover (₹)	34,214.9 crore
3.	Total profit after taxes (₹)	1,720 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	113%
5.	List of activities in which expenditure in 4 above has been incurred:-	i. YES COMMUNITY ii. Livelihood & Water Security iii. Say YES to Sustainable MSMEs in India iv. YES STEADY – Skills training and enhancement for development of youth v. Support to YES FOUNDATION vi. Natural Capital Initiatives

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	YES (three subsidiaries)
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):	Some BR activities of YES BANK's three subsidiary companies are conducted as part of the parent company.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	DIN Number:	00091746
2.	Name:	Mr. Ravneet Gill
3.	Designation:	Managing Director & CEO

b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N/A
2.	Name	Ms. Namita Vikas
3.	Designation	Group President & Global Head, Climate Strategy & Responsible Banking
4.	Telephone number	+91 22 3347 9852
5.	E-mail ID	responsible.banking@yesbank.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y ⁵	Y	Y	Y	Y ⁹	Y ¹
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y ¹	Y ³	N ⁴	Y ⁵	Y ⁶	Y ⁷	Y ⁸	Y ⁵	Y ¹
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y ¹	Y ³	Y ⁴	Y	Y ²	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y ¹	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y ²	Y ²	Y	Y	Y ²	Y ²	Y ²	Y	Y ²

* All policies of the Bank have been developed as a result of detailed consultations and research on the best practices adopted by banks and organizations across the national and international industry norms, and per the requirements of the Bank.

1. The Code of Ethics for employees and certain policies, including the Citizen’s Charter, Charter of Customer Rights, Grievance Redressal and Banking Practice Code are available on the website at https://www.yesbank.in/regulatory_policies.
2. Yes, for certain policies and procedures.
3. The Bank has in place the Environment & Social Policy, which integrates environmental and social risks into its overall credit risk assessment framework. The Summary of the Policy is available at <https://www.yesbank.in/beyond-banking/responsible-banking/responsible-banking/facilitating-responsible-investments/environmental-and-social>. The Bank has the Environmental Management Policy which focuses on achieving greater environmental sustainability within the Bank’s operations. The Policy is accessible at https://www.yesbank.in/regulatory_policies.
4. Employee focused policies are accessible only by employees and are not shared in the public domain. The bank’s Human Capital Management practices and activities can be accessed at <https://www.yesbank.in/work-with-us>.
5. YES BANK views the unbanked and under-banked population in rural and urban India as a primary stakeholder for financial inclusion. Through its products and services focused at the Base of the Pyramid, the Bank aims to positively impact this marginalized and disadvantaged stakeholder group. The Bank has policies in place, and adheres to regulatory guidelines, to drive its business practices. The Bank as a Code of Commitment to the MSME Sector, accessible at https://www.yesbank.in/regulatory_policies.
6. The Bank has several policies and guidelines in place for ensuring all stakeholder rights and the regulatory laws are adhered to in its operations. Through its policies on environmental and social risk assessment, the Bank ensures compliance of all pertinent regulations in its lending portfolio as well. Similarly, the Bank ensures that all regulations are adhered to in its CSR activities.
7. The Bank’s Environmental Management Policy is available on the Bank’s website at <https://www.yesbank.in/pdf/emp>. The Bank’s CSR Policy is accessible at https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy.
The Bank’s complete response to its environmental priorities and commitments, through business activities, CSR, and other activities, is available in its Sustainability Report, accessible at <https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report>.
8. The Bank aims to take a leadership position in influencing public policy and discourse by hosting and participating in thought platforms and through knowledge research. Details on the Bank’s knowledge banking initiatives can be accessed at <https://www.yesbank.in/beyond-bankingold>. For additional details, please refer to the responses to Principle 7 in this BRR.
9. In addition to the Bank’s business activities focusing on inclusive growth, and equitable and sustainable development, highlighted in Point 5 above, the bank creates a positive impact through its CSR activities. The activities and impact are included in the Sustainability Disclosures that is a part of this Annual Report.

2a. If answer to Sr. No. 1 against any principle, is ‘No’, please explain why: (Tick up to 2 options) – Not applicable

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- ▲ **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Bank has a CSR Committee of the Board, which meets at least twice in a year. The Managing Director & CEO is a member of the CSR Committee, The Group President & Global Head, Climate Strategy & Responsible Banking, attends all meetings.

The Bank has an internal system in place for reviewing the BR performance, headed by the Managing Director & CEO with the Group President & Global Head, Climate Strategy & Responsible Banking. The Group President & Global Head, Climate Strategy & Responsible Banking is also a part of a four member internal CSR Management Committee which is represented at meetings of the Board of Directors.

- ▲ **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes. YES BANK reports on its sustainability performance in its annual Sustainability Report. The report is available online at <https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report>.

The Bank publishes its Sustainability Disclosures as part of its Annual Report which is based on the GRI framework. The Disclosures for FY 2018-19 are included in this Annual Report and can be accessed at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

Yes

Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Bank has a separate Vendor Management Policy that covers the pertinent issues related to ethics, bribery and corruption. The Bank also has in place a Supplier Code of Conduct in line with

the Ten Principles of the UN Global Compact for its strategic suppliers.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Please refer to page number 254 for Customer Complaints, page number 172 for Shareholder Complaints in this Annual Report.

For Employee complaints, please refer to pages 43-44 of the Sustainability Disclosures in this Annual Report.

Principle 2

1. **List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- i. Digital Banking – YES MONEY, YES PAY, AEPS, Green Future: Deposit
- ii. Inclusive and Social Banking – YES LEAP/ YES SAHAJ/ YES Samadhaan/ YES Joint Liability Group/ Affordable Housing
- iii. Sustainable Investment Banking and Corporate Finance – Lending and advisory in clean energy, technology and water, among others

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- i. **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**

On account of the nature of its services, the major resources consumed at the Bank are grid electricity and paper. During the reporting period, the Bank has launched several key initiatives and achieved significant traction on on-going initiatives, towards achieving internal resource efficiencies, focused on product and process digitization, greater employee awareness, reduction in waste generation, and improved waste management.

In the reporting year, YES BANK continues to be 14001:2015 Environment Management System certified, which now covers 744

bank branches and 4 office locations, and follows the Environmental Management Policy, wherein the Bank has taken a target to reduce its Carbon emissions intensity target by 10% year-on-year.

The key initiatives focusing on achieving resource consumption efficiency at the Bank, and the impact achieved, are included in the Sustainability Disclosures 2018-19 that is a part of this Annual Report.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Given that the Bank's primary product offerings are financial services, resource consumption during usage by consumers is not a significant material issue for the banking sector in general. During the year, the Bank's 744 branch locations and 4 offices were certified for ISO 14001:2015 Environment Management System, under which the Bank makes maximum effort to raise awareness among its customers on efficient resource consumption, and on broader national agendas, such as Green Good Deeds, through YES COMMUNITY and related initiatives.

The Bank is rapidly adopting technology to digitize its operations and product offerings, and has witnessed a strong growth in adoption of mobile banking, mobile wallets and internet banking, thus reducing the incidence of paper usage and travel among its customers.

The impact achieved through related initiatives is included in the Sustainability Disclosures, as a part of this Annual Report.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Given that the Banking sector's primary product offering is financial services, the Bank does not have any raw material requirements. The primary resources consumed for its day-to-day operations are paper, grid electricity, water from municipal sources, and diesel, for DG sets in locations with erratic availability of electricity. Through a centralized procurement process, led by the Central Procurement

Unit, the Bank strives to achieve greater transparency, compliance and adoption of environmental and labor best practices.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Bank's award-winning product for the Bottom of the Pyramid – YES MONEY, is based on the Business Correspondent (BC) model that enrolls local small business owners as BC Agents (BCA) to provide remittance services to local communities. These BCAs are trained in remittance operations and basic banking.

In addition to the Bank's procurement done through the Central Procurement Unit, given that the Bank has branches in all states and Union Territories in India, it also procures locally for daily use items and services such as stationary, food and beverages and local transport. It works with most local vendors to align them with the Bank's procurement requirements and standards.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

Also, provide details thereof, in about 50 words or so.

Yes. As the Banking sector's primary product offering is financial services, its waste is related to paper, municipal waste, and electronic waste. The Bank has strong policies and practices in place for responsible disposal of all such waste through authorized third party vendors. For waste paper disposal, the Bank has local authorized vendors to ensure near 100% recycling of waste paper, and has partnered with a vendor which provides stationary from recycled paper, in return for the paper disposal. For e-waste handling, the bank has a national authorized vendor for centralized collection and handling of e-waste to ensure near 100% of e-waste management.

The Bank's waste management practices are included in the Sustainability Disclosures, which is a part of this Annual Report.

Principle 3**1. Please indicate the Total number of employees.**

YES BANK had 21,136 employees as on March 31, 2019.

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

Financial Year ending	Fixed Term Contract Employees (Trainee/ Advisor, etc.)
Head Count as on March 31, 2017	63
Head Count as on March 31, 2018	67
Head Count as on March 31, 2019	39

3. Please indicate the Number of permanent women employees.

The Bank had 3,861 permanent women employees on March 31, 2019.

4. Please indicate the Number of permanent employees with disabilities

The Bank, being an Equal Opportunity Employer, makes no distinction between employees on the basis of disabilities.

5. Do you have an employee association that is recognized by management?

The Bank does not have an employee association.

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable as the Bank does not have an employee association.

7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labor/ forced labor/ involuntary labor	Nil	Nil
2.	Sexual harassment	10	2
3.	Discriminatory employment	Nil	Nil

8. What percentage of your undermentioned employees were given safety & skill up-gradation training in the last year?**i. Permanent Employees**

The Bank has a separate entity, the YES SCHOOL OF BANKING, as a center of excellence in imparting learning solutions in banking, skill development and personality development, among others. The Bank's training programs are divided into 5 broad categories: Behavioral and Leadership Skills, Employee Induction, Mandatory Policies and Compliance, Process Training and Product Training. In the reporting period, 16,132 employees were trained under 5,410 classroom-based training programs.

ii. Permanent Women Employees

3,015 women employees were imparted classroom-based training during the year,

which is over 78.09% of the Bank's total women employees.

iii. Casual/ Temporary/ Contractual Employees

The Bank provides training on the Bank's policies and process to advisors, trainees, etc. as and when required.

iv. Employees with Disabilities

All employees are imparted training basis their training requirements and organizational profile.

Principle 4**1. Has the Company mapped its internal and external stakeholders?**

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

The under-banked and unbanked population in rural and urban India, which is still not entirely integrated into India's mainstream economy, can be vulnerable to socio-economic exploitation. The bank focuses on financial inclusion as a key business priority to positively impact this stakeholder group.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes. The Bank engages with such stakeholders in multiple ways. Through its focused Business Units such as Inclusive and Social Banking, Digital Banking, Agribusiness Product Banking and Rural Retail Banking, the Bank offers financial products and services to diverse stakeholders in rural and urban India. Details on the Bank's business units can be accessed in the Management Discussion & Analysis in this Annual Report.

The Bank has high-impact CSR initiatives underway on key areas of socio-economic development and community impact. These include YES COMMUNITY, its innovative branch-based community engagement initiative, and other initiatives focusing on skill development in rural India, environmental efficiency in the MSME sector, and livelihood and water security, among others. Details are available in the Sustainability Disclosures section in this Annual Report.

Principle 5

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Bank has in place policies and processes that cover various aspects of Human Rights, specific to employees, and external stakeholders such as its CSR partners, supply chain and corporate customers. In addition, the Bank's corporate whistleblower program covers all its internal and external stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Bank did not receive any complaint related to human rights violations from internal or external stakeholders. Complaints related sexual harassment are covered separately under Principle 3.

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Bank has multiple policies that directly and indirectly communicate its support and adherence of Principle 6.

The Environment & Social Policy (ESP) is based on international best practices such as the Equator Principles and the IFC Guidelines. Under the Policy, the Bank ensures environment and social risk is integrated with the overall credit risk appraisal process. The Policy also includes an exclusion list to flag socially and/or environmentally irresponsible proposals, and guides the Bank in engaging with clients towards adopting best practices.

The Environmental Management Policy guides the Bank towards, achieving internal resource efficiency, creating employee awareness and communicating positive environmental action among its stakeholders.

The CSR Policy of the Bank includes Environment Sustainability as one of its focus areas. The Bank has undertaken several CSR initiatives with positive direct environmental impact or towards creating awareness among stakeholders.

The Bank also has in place a Supplier Code of Conduct that promotes ESG best practices among its supplier base.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Yes.

If yes, please give hyperlink for webpage etc.

YES BANK is a signatory to international protocols and initiatives, such as the UNEP Finance Initiative, UN Global Compact, CDP (formerly Carbon Disclosure Project), the Natural Capital Finance Alliance, where it works on creating awareness and impact at a global level, on issues of environmental and social significance.

YES BANK is among the leaders in the Indian banking sector in driving climate finance. In 2015, the Bank had taken a commitment to target mobilizing USD 5 billion up to 2020 for climate action, and reports its Renewable energy funding portfolio annually. In the reporting period, the bank committed to mobilize USD 1 billion to solar project till 2023, and mobilize USD 5 billion till 2030.

In addition, through the Environment & Social Policy, the Bank incorporates Environmental and social risk assessment into its overall credit risk assessment process.

The Bank is the first bank globally to migrate to the ISO 14001:2015 certification for Environment Management System, and has 744 branches and 4 corporate locations.

The details can be accessed in the Bank's Sustainability Report at <https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report>.

3. Does the Company identify and assess potential environmental risks?

Yes.

The Bank assesses its environmental risk in multiple ways. The Bank's Environment and Social Policy, which is based on international best practices such as the Equator Principles and IFC Guidelines, integrates Environmental and Social risks into its overall credit risk assessment mechanism.

YES BANK is the first bank globally to migrate to the ISO 14001:2015 certification for Environment Management System, with its 744 branches and 4 office locations certified. Guided by the certification and its Environmental Management Policy, the Bank assesses the environment risks of its operations.

As part of its overall risk management framework, the Bank has a Reputational Risk

Management Committee overseeing its E&S risk preparedness across its business operations and community activities.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

YES BANK has a significant portfolio in clean energy, water and waste management, and has taken a public commitment to mobilize funding of USD 5 billion towards climate action by 2020. In the reporting period, the bank committed to mobilize USD 1 billion to solar project till 2023, and mobilize USD 5 billion till 2030. The Bank's portfolio is highlighted in the Sustainability Disclosures in this Annual Report. Projects that the Bank has funded or advised may be linked to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

Yes.

If yes, please give hyperlink for web page etc.

YES BANK has one of the largest active debt and advisory portfolios in the Indian banking space, in renewable energy, water, waste management, and other climate-linked sectors. In December 2015, on the occasion of COP21 at Paris, the Bank took a public commitment to mobilize funding of USD 5 billion for climate action up to 2020. In the reporting period, the bank committed to mobilize USD 1 billion to solar project till 2023, and mobilize USD 5 billion till 2030.

The Bank's clean technology portfolio in debt and advisory is included in the Sustainability Disclosures section of this Annual Report.

Internally, under its ISO 14001:2015 certification for Environment Management System, the Bank has launched several initiatives to rationalize resource consumption and reduce waste consumption.

As part of its CSR commitments, the Bank is driving several initiatives that focus on energy efficiency in the MSME sector, provide clean and safe drinking water for rural communities, and support protection of endangered species.

The Bank's initiatives and actions are included in the Sustainability Disclosures included in this Annual Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes. The Bank's primary wastes – paper and electronic waste, are recycled to the maximum extent possible through third party vendors. The Bank's emissions and waste are within permissible limits of the laws applicable. At the branches where the Bank uses Diesel generator sets due to erratic electricity supply, it ensures it only uses low noise and low emission sets with proper procedures in place to handle the used oil.

7. Number of show cause/legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Bank has not received any notice during the reporting year.

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a) CII
- b) FICCI
- c) ASSOCHAM
- d) Indian Banks Association
- e) USIBC
- f) UKIBC

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Yes.

If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Bank, through broad level actions and initiatives, actively works towards influencing

national and global policy and industry action on pertinent causes such as climate action, digital economy, and economic reforms. The Bank is a member of protocols and alliances in India and abroad that bring like-minded stakeholders together on specific issues.

Principle 8

1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Bank has focused Business Units whose products and services promote inclusive growth and equitable development in India. The Inclusive and Social Banking unit has a range of financial products and services targeting the Bottom of the Pyramid in rural and urban India.

Through the Digital Banking unit, the Bank is driving digital payments across all economic sections of the economy and is driving the use of rising mobile and internet connectivity among Indians for banking activities.

Through its CSR mandate, the Bank is driving key initiatives in livelihood and water security, skill development, and environmental sustainability, among others.

The details of the Bank's key programs and initiatives are included in the Sustainability Disclosures as a part of this Annual Report.

2. Are the programs/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

The Bank's products and services catering to the Bottom of the Pyramid and digital banking services are driven directly by the Banking Units, which may partner with Business Correspondents, technology providers, and others, to drive the projects on-ground.

The Bank's CSR projects are driven primarily by the Responsible Banking unit in conjunction with pertinent Business Units. In addition, YES FOUNDATION, the Bank's social development arm, is a separate charitable Trust driving several initiatives of its own across India. The Bank partners with NGOs for several of its CSR projects to drive implementation on the ground.

3. Have you done any impact assessment of your initiative?

Yes. The socio-economic and environmental impact of the Bank's products and services catering to the Bottom of the Pyramid and its CSR initiatives are included in the Sustainability Disclosures section of this Annual Report.

4. What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken.

In FY 2018-19, YES BANK spent ₹53.78 crore on CSR, in accordance with Schedule VII of the Companies Act, 2013.

A brief outline of the Bank's direct contribution to community development is included in Annexure 1 – The Annual Report on Corporate Social Responsibility (CSR) Activities, on pages 121-123 of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

YES BANK's community development initiatives are driven by its five-pronged approach towards CSR – Promote, Invest, Engage, Collaborate and Monitor. The Bank's CSR Policy guides the Bank in ensuring that its initiatives are mapped to the focus areas and are relevant, effective and replicable. All projects have clear feedback mechanisms weaved into them, with a focus on long-term sustainability and active community ownership.

Principle 9**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Please refer to page number 254 in this Annual Report.

2. Does the Company display product information on the product label, over and above what is mandated as per local**laws? Yes/ No/ N.A./ Remarks (additional information)**

The Bank follows the highest standards of product and service responsibility, in complete compliance with all the regulations set by the Reserve Bank of India. The Bank is a member of the Banking Codes and Standards Board of India (BCSBI), which is an independent watchdog for service quality of the Banking sector.

Under the aegis of the YES SCHOOL OF BANKING, all employees are trained on pertinent regulations and requirements, and employees in client-facing roles are provided enhanced training on product suitability and appropriateness. As per regulatory guidelines, all notices, regulations and policies are mandatorily displayed at the Bank's branches.

A comprehensive list of Regulatory Policies can be accessed on the Bank's website at https://www.yesbank.in/regulatory_policies.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no case filed by any stakeholder against the Company before Competition Commission or such other regulatory authority under the Competition Act, 2002 regarding unfair trade practice, irresponsible advertising and/or anti competitive behavior.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes. As the Bank operates in the highly customer-centric banking sector, customer satisfaction and service quality are of critical importance. Guided by the Service Excellence, Branding and Marketing Committee of the Board, the Bank has the systems in place to measure Service Excellence and drive Retail Quality Assurance. The Bank conducts periodic customer satisfaction surveys, and in addition, there are strong systems in place for internal checks of branch quality and physical safety. The Bank's Complaints Management System is ISO 10002:2004 certified.

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Management Discussion and Analysis

EXECUTIVE OVERVIEW

Macroeconomic and Industry Overview

The cyclical upswing in global economic activity since the last quarter of 2016 continued to persist until the middle of 2018, resulting in the highest degree of synchronized global expansion during the post-crisis period. However, momentum in Global GDP growth started to peter out thereafter, amid broad-based moderation in activity across developed and emerging economies. As such, most of the multilateral organizations have downgraded their World GDP growth estimate for 2019 and 2020 in the last two months. Among them, the most recent (March 2019) is from the Organization for Economic Co-operation and Development (OECD) that trimmed its 2019 and 2020 World GDP growth forecast by 20 bps and 10 bps to 3.3% and 3.4%, respectively vis-à-vis 3.6% in 2018.

While tight global financial conditions in recent quarters have engineered a cyclical moderation in the global economy, heightened geopolitical uncertainty and ongoing trade tensions have given rise to fat tail risks. As such, volume growth in world merchandise trade dipped sharply to 2.6% on average annualized basis in the second half of 2018 from 4.0% in the first half of 2018.

Mirroring these concerns, prices of key industrial metals (barring steel) such as copper, aluminium, lead, nickel, and zinc ended lower in 2018 vis-à-vis 2017. Food prices were in deflationary territory reflecting supply glut in a few crops globally. Meanwhile, geopolitical uncertainty and risk aversion resulted in higher prices for crude oil and gold.

On a net basis, the impact of divergent inter-temporal economic activity was also captured by inflation metrics globally. The first half of 2018 saw inflation moving up in most developed and emerging economies. This, however, was followed by a phase of disinflation in the later part of 2018, something which continues to play out currently.

Monetary policy across key developed economies saw incremental acts of normalization coupled with rate tightening measures. While the US Federal Reserve commenced on its journey of quantitative tightening to reduce its balance sheet size, the European Central Bank stopped its quantitative easing. Meanwhile, the Bank of Japan fine-tuned its quantitative easing operations during the course of the year. In addition, central banks of key developed countries (viz. the US, the UK, Canada, Sweden, and Norway) delivered rate hikes during the course of 2018.

However, with recent recognition that global growth has entered a soft patch, monetary authorities in most developed economies have now diluted their hawkish policy bias. There is now a growing expectation among market participants that most of these central banks would either keep their monetary policy rates unchanged through 2019 or explore opportunities for incremental easing.

Looking ahead, it will be critical for policymakers and multilateral institutions across the globe to insulate economic activity from build-up in financial vulnerabilities and inward-looking trade protectionist policies, which could impinge on trade flows and overall economic productivity.

The trajectory of India's economic expansion behaved in line with the global trend. The first half of FY 2018-19 saw GDP growth printing at 7.5%. However, as per implied Central Statistical Organization's (CSO's) forecast for the full financial year, GDP growth momentum could slip sharply to 6.4-6.6% in the second half of FY 2018-19. Increase in crude oil prices during the course of the financial year to USD 70 pb from USD 56 pb in FY 2017-18 and adverse (albeit transient) spillover impact of recent tightness in financial conditions for the Non-Banking Financial Company (NBFC) sector provided headwinds for domestic growth momentum.

Despite the moderation in incremental growth momentum, the silver lining lies in the investment space. The CSO estimates India's Gross Fixed Capital Formation to grow at 10.0% in FY 2018-19, the highest rate in the last seven years. Sharp improvement in ease of doing business (India's rank in World Bank's Ease of Doing Business Survey has improved sharply from 142 in 2014 to 77 in 2018) has helped turn around investment sentiment in the country. The implementation of structural reforms like the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) framework have been of critical importance. While GST collections have lagged the initial budget estimates on account of ongoing adjustments in the tax framework, it has certainly widened the tax base. This holds promise for improving tax buoyancy in the year FY 2019-20. The IBC framework has churned out closures for 586 Corporate Insolvency Resolution Process (CIRPs) as of December 2018, thereby helping financial creditors realize ₹658 billion in the due process. The combination of structural reforms and some improvement in domestic demand has led to capacity utilization in the manufacturing sector increase to a 22-quarter high of 74.9% (on a 4-quarter moving average basis) as of December 2018.

It is expected that this recovery in the investment cycle would pick up further post the outcome of general elections in FY 2019-20, supported by the mix of macro and micro reforms in the past. Overall, GDP growth is likely to show a marginal acceleration toward 7.2% in FY 2019-20 (YBL Forecast) from 7.0% in FY 2018-19.

Meanwhile, domestic retail inflation continued to moderate, despite an increase in global crude oil price. Average CPI inflation in FY 2018-19 decelerated to 3.4% from 3.6% in FY 2017-18. This will mark the second successive year of below target (4%) inflation outturn for India's economy. This while boosting credibility in Reserve Bank of India's (RBI's) inflation targeting framework, would also help in anchoring household and business expectations of inflation. Stability in inflation expectations is a sine qua non for delivering a healthy and sustainable economic performance over the long-term.

Meanwhile, there was some marginal deterioration in India's twin deficits. The Current Account Deficit (CAD) is expected to increase to 2.1% of GDP (YBL Forecast) in FY 2018-19 from 1.9% in FY 2017-18. More importantly, with moderation in capital inflows, the overall Balance of Payment (BoP) is expected to register a deficit of USD 0.2 billion in FY 2018-19 (YBL Forecast) vis-à-vis a surplus of USD 44 billion in FY 2017-18. The fiscal front also saw a slippage for the second consecutive year with fiscal deficit getting revised higher to 3.4% of GDP for FY 2018-19 vis-à-vis the initial estimate of 3.3%. In FY 2019-20, the Government of India has opted for a pause in the consolidation process by projecting fiscal deficit to remain unchanged at 3.4%. The fiscal status quo is expected to provide some headroom to the central government to support rural demand. Meanwhile, it is comforting to note that the government has reiterated its commitment to meet the medium-term (FY 2021-22) fiscal deficit target of 3.0%. On the monetary policy front, the RBI increased repo rate twice by 25 bps each in June 2018 and August 2018, taking it to 6.50%. The monetary tightening was premised on hardening of crude oil prices and sharp depreciation in the Indian rupee. However, as disinflationary forces asserted themselves in the second half of FY 2018-19, RBI reversed course and delivered a 25 bps cut in the repo rate in February 2019, followed by another 25 bps cut in April 2019.

Money market liquidity deteriorated and turned into a deficit during FY 2018-19 compared to a situation of surplus in FY 2017-18. The deterioration in banking system liquidity happened on the back of drawdown of FX Reserves by the RBI to curb rupee volatility and robust growth in currency in circulation. The RBI undertook active measures to augment primary liquidity through open market purchase of government securities and also through the introduction of FX swap auction facility for banks.

On the bond market, the 10-year g-sec yield moderated by 3 bps to 7.37% during the course of FY 2018-19. However, yields rose sharply during the first half of the year on concerns over global and domestic monetary tightening and moderated thereafter in the backdrop of decelerating inflation and expectations of monetary easing by the RBI.

Over the course of FY 2017-18, the Indian rupee weakened marginally by 6.2% and closed the year at 69.10 vis-à-vis the US dollar. Rupee weakened significantly until October 2018 (wherein it created a record low of 74.39), but recovered thereafter amid stability in global currency market and global risk appetite.

BUSINESS SEGMENT OVERVIEW

Corporate Banking

YES BANK's Corporate Banking (CB) group provided comprehensive financial and risk management solutions to large corporate clients. The Bank's professional relationship experts have forged value-based long-term relationships with the top management and promoters of almost all large corporate houses in India.

The Bank's Corporate Banking group offered comprehensive client-focused services comprising Working Capital Finance, Term Loans, Corporate Finance Products, Trade & Transaction Banking Products, Cash Management Services, Debt Capital Markets, Treasury Services, Investment Banking Solutions and Liquidity Management Solutions, among others. With the 'Ecosystem Banking' theme, YES BANK focused on the entire customer ecosystem by catering to vendors and customers of corporates, thereby ensuring seamless service to its customers.

YES BANK prioritized credit quality and all offerings were made following a rigorous analysis of the client's risk profile, as well as proactive monitoring of credit, market and operational risks.

The Bank offered industry-specific products by understanding customer businesses, market conditions and industry developments. This distinctive approach translated into mutually-beneficial relationships with clients in knowledge-driven sectors such as Life Sciences & Healthcare, Information Technology, Food & Agribusiness, Manufacturing, Infrastructure, Media & Entertainment, and Hospitality & Education, among others.

During FY 2018-19, the Bank remained committed to continuous improvement in service, risk management and product portfolio through original research, benchmarking and client orientation.

Multinational Corporate Banking

YES BANK's Multinational Corporate Banking (MCB) group provided comprehensive client-focused services comprising Liquidity Management Solutions; Treasury Risk Management Solutions, Transaction Banking Products – Trade Finance, Cash Management & Digital Banking Solutions, Supply Chain Finance, Working Capital Finance, Term Loans, Specialized Corporate Finance Solutions, Debt Capital Markets and Investment Banking Solutions to Multinational Corporate clients (MNCs). MCB focused on 'Ecosystem Banking' approach by providing banking offerings to entire value chain of corporate comprising of vendors, dealers, customers and its employees and other stakeholders, thereby providing comprehensive solution and services.

The Bank has positioned itself as the preferred 'host-country' banking partner to international business houses. YES BANK extends its best-in-class service expertise, robust technology platforms and deep understanding of India's regulatory framework to guide new-to-the-country enterprises about banking.

The Bank has built a self-financed sustainable asset book for MCB through a strong focus on transaction services, liability mobilization and comprehensive credit analysis of the borrower company's domestic and international businesses. With an unrelenting focus on Knowledge Banking, the Bank has emerged as a strategic partner in the India-growth-story of several marquee multinational corporates.

Emerging Corporates Banking

India's mid-sized companies, driven by strong entrepreneurs and supported by resilient tailwinds, are well-poised to deliver high growth. The Emerging Corporates Banking (ECB) group caters to the detailed and exacting needs of India's dynamic mid-sized companies. It focuses on corporates with turnover between ₹500 crore and ₹2,000 crore. ECB group plays a crucial role here by developing a thorough understanding of the companies' banking needs and delivering customized solutions across the spectrum of banking services.

ECB group continues its Knowledge Banking approach to cater to the requirements of growth sectors, including Auto Components, Food & Agri-processing, Media & Entertainment, and Pharmaceuticals & Specialty Chemicals. ECB is currently present in 16 cities covering all major regional locations.

The Media and Entertainment (M&E) practice, a subset of the ECB group, is one of the oldest and key knowledge verticals in the Bank. This knowledge practice has played the role of a catalyst in building a marquee network

of relationships across the Media & Entertainment ecosystem. It encompasses services ranging from Structured Financing to Liabilities, to providing a framework for government policy initiatives.

In line with the growth of India's mid-sized companies, the ECB group has been growing its presence across the country. This segment continues to present a significant growth opportunity for the Bank and the group is well poised to seize this opportunity for the Bank.

Medium Enterprises Banking

India has witnessed an accelerated rate of reforms in the last few years, bolstering optimism in the business environment. Government initiatives and availability of a skilled workforce have led to the rise of mid-sized corporates across various manufacturing and service industries. This is prominently reflected in the growth of the Bank's Medium Enterprises Banking (MEB) group. MEB concentrates on servicing mid-sized corporates with a turnover ranging from ₹100 crore to ₹500 crore.

MEB has adopted the concept of 'Lifecycle Banking' to meet the banking requirements of the mid-sized corporates across all stages of their growth cycle. The impetus continues to be on servicing clients through a solution-centric 'Money Doctor' approach, balancing client expectations and the Bank's risk mitigation strategies. With presence across 36 locations covering key regional markets, the Bank's unique positioning provides an opportunity to offer the entire product suite with tailor-made solutions. Furthermore, MEB is deeply entrenched in new-age entrepreneurship ecosystem emerging across India, by providing customized digital solutions, incubation and networking platforms to E-Commerce and IT & ITeS startups.

MEB addresses specific banking requirements of clients by offering innovative solutions that ensure deepening and retention of client relationships. The group concentrates on granularity, profitability and capital efficiency by focusing on referral-led business origination and cross-sell. The Bank has developed strong client relationships across industries such as Life Sciences, Healthcare, Food & Agri, Auto Ancillaries, and Education.

Government Banking

At YES BANK, the Government Banking (GB) group addresses the financial and banking needs of Central and State Government undertakings, and affiliates.

Over the years, the Bank has provided financial and advisory services to ministries under the Union Government, State Governments, Central and State Public

Sector Undertakings (PSUs), Boards and other affiliates. The Bank remains committed to delivering innovative, structured and comprehensive solutions, accomplishing several landmark transactions with Maharatnas, Navratnas, Mini-Ratnas, and other apex institutions, and developed meaningful relationships with 1,950+ entities across India. The GB group remains committed to the core values of client origination, innovation and superior service, and has over 115 experienced and seasoned bankers in 56 locations across the country.

YES BANK displayed strong commitment toward catalyzing sustainable growth in the country by partnering with the Central Government in their flagship events during FY 2018-19. It further engaged actively with State Governments as Knowledge Partners for their Investment Summits. The Bank partnered with Ministry of Environment, Forest and Climate Change for the 2018 World Environment Day co-hosted by United Nations and Government of India. The Bank partnered with the Ministry of New and Renewable Energy and co-hosted the Renewable Energy Start-Up awards with the Ministry to take the country into the next wave of renewable energy space. It signed a Memorandum of Understanding (MoU) with Government e-Marketplace (GeM) as one of the payment banks.

YES BANK made concerted efforts toward supporting educational, religious and sporting institutions across India through unique Transaction Banking offerings aimed at streamlining the working capital management of these important institutions.

Indian Financial Institutions Banking

The Bank's Indian Financial Institutions Banking (IFIB) group interfaces with domestic financial institutions. The team primarily engages in offering correspondent banking solutions to domestic banks and banking solutions to various financial institutions, non-banking finance companies, housing finance companies, asset finance companies, insurance companies, mutual funds, small finance banks, payment banks, domestic private equity funds, cooperative banks, regional rural banks, capital market participants (stock exchanges, stock brokers, commodity brokers, exchanges, and foreign portfolio investors), primary dealers, depositories, Authorized Dealer II (AD II) license holders, full-fledged money changers and payment aggregators.

The Bank actively engages with institutions like National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Export-Import Bank of India (EXIM Bank) and National Housing Bank (NHB) to avail refinance. It also connects with overseas branches of domestic banks to avail foreign currency borrowings and trade credit.

Marquee deals of the Group in FY 2018-19:

- ▲ Acted as Lead Manager (LM) for Public Issue of NCDs by Indiabulls Commercial Credit Limited and for Maiden Public Issue of NCDs by Aadhar Housing Finance Limited
- ▲ Launched Professional Clearing Services in the Equity & Currency segment; the Bank is also expecting approval for its Designated Depository Participant (DDP) license and its settlement banking services should also be operational in the next quarter, completing the product suite for Capital Market Intermediaries
- ▲ Incorporated Application Programming Interface (API) Banking, a technology which is emerging as a key product to integrate and streamline the transaction processing cycle to offer real-time/instant banking facility to Non-Banking Financial Companies (NBFCs), mutual funds, stock brokers, cooperative banks and other financial institutions

International Banking

YES – International Banking enjoys a widespread partner network of international banks, financial institutions, exchange houses, and official bodies. Over the years, it has executed marquee transactions across products and geographies through its global banking partner network, including large-ticket offshore borrowings for the Bank by tapping unique structures and new geographies.

YES – International Banking provides a complete suite of products and solutions such as Trade Finance; Treasury Services, Investment Banking Solutions, Remittance Solutions, Financial Advisory and Global Indian Banking for its partner institutions and internal stakeholders. It has consistently delivered unique and first-to-market offerings, leveraging its global alliances. The Bank is among the preferred partners by international institutions to meet their clients' banking requirements in India. YES – International Banking, in coordination with Multinational Corporate Banking, helped position the Bank as the preferred 'host-country bank' by capitalizing its rich relationship capital.

During FY 2018-19, the Bank successfully raised a three-year syndicated loan facility for USD 400 million led by Bayern LB, Commerzbank AG CTBC Bank, First Abu Dhabi Bank, Korea Development Bank, State Bank of India, United Overseas Bank and Westpac Banking Corporation, with the total lending consortium comprising 14 banks from across Asia, Europe and Gulf Cooperation Council (GCC).

YES – International Banking focuses on emerging as a preferred host-country banker and payments bank to

global counterparts. As a result, more institutions utilized the Bank's network for their India-linked businesses. YES – International Banking has well-established relationships and a growing wallet share with exchange houses across key geographies that are host to the Indian diaspora. It includes the USA, the UK, Europe, Asia-Pacific (APAC) and GCC, and through these it originates a significant portion of NRI remittances into India.

International Footprint

YES BANK established its international presence by inaugurating a representative office in Abu Dhabi, UAE, in April 2015. The representative office facilitates a host of Banking, Financial and Investment consultation services of the Bank in UAE and plays a significant role in promoting the Bank's services to the non-resident Indians (NRIs) in the country. Additionally, it provides brand value and visibility to the Bank in UAE.

YES BANK was the first bank in India to commence operations at the International Financial Services Center (IFSC) in GIFT City, Gujarat, in October 2015. The customer advances and investments of the Bank's IFSC Banking Unit (IBU) is approximately USD 2.75 billion as on March 31, 2019. GIFT-IFSC Banking Unit (IBU) provides comprehensive solutions for the Bank's clients' foreign currency banking requirements in the domains of Cross Border Trade offerings, External Commercial Borrowings and Foreign Currency Loans/ Syndications and Arrangement/ Underwriting of Masala Bonds issuance by Indian Corporates, among others.

The Bank repurchased bonds aggregating to a face value of USD 122.85 million out of the USD 600 million bonds issued in February 2018 under its Medium-Term Note (MTN) program.

This was done as part of IBU's continuing capital management program and to further optimize the liability structure and demonstrate availability of adequate foreign currency liquidity.

Branch Banking

During FY 2018-19, YES BANK's geographical footprint expanded to 1,120 branches and 21 Banking Correspondents (BC) banking outlets spread across 740 locations with 1,456 ATMs and Bunch Note Acceptor/Recycler (BNAs). The Bank continues to build on the deeply institutionalized strategy of strengthening its presence across all State Capitals, Top 200 Deposit Centers, Delhi-Mumbai Industrial Corridor, Special Economic Zones, Economic Promotion Zones, Food Parks, Agri-Parks and Ports, among others, with a well-balanced parallel focus on financially-efficient Inclusive Banking. The Bank considerably focused on branch penetration

in rural, agri and MSME geographies, by establishing dedicated leadership, with local know-how and products targeted at these specific segments. The Bank is also embracing the ever-evolving technological landscape and complementing its endeavors toward physical expansion with substantial investments in state-of-the-art new-age technologies that will significantly enhance its reach and capabilities to optimally acquire and service customers.

As a part of its drive to improve customer experience and convenience, the Bank has introduced multiple initiatives toward Deposit Mobilization and Customer Service:

YES AIM: This is a digital account opening platform that enhances the efficiency of the account opening process and provides consistent and superior onboarding experience to YES BANK customers.

YES MSME: The 360° digital banking solution for MSMEs was enhanced to include Goods and Services Tax (GST) payment and simplify the registration process to allow account setup with signatory personal information.

Green Future Deposit: The first-ever Green Deposit product was launched on World Environment Day, 2018. Deposits raised are used for lending toward Sustainable Development Goals (SDGs) aligned sectors.

Instant FD: YES BANK further enhanced its YES ROBOT platform to allow instant Fixed/Recurring Deposit booking, an industry-first offering.

Smart Pe: A 100% digital, comprehensive and customized payment and collection solution. Smart Pe provides collection through all offline/online modes, easy on-boarding, quick modular integration across APIs, rendition through web portal and mobile application as well as real-time dashboards.

The Bank has also strengthened its front-line capabilities through the introduction of a new sales-force efficiency and content platform, Eltropy. This digital content platform allows customer-facing teams to access product and process information on-the-go, which may also be shared with clients through multiple messaging modes like SMS, email, and Whatsapp.

All-New Debit Card Variants

YES BANK upgraded its existing portfolio of Debit Cards with the introduction of Near Field Communication (NFC) technology across card variants to enable contactless payments. Segmented across its flagship customer segments, YES Prosperity and YES FIRST, these cards have been carefully customized and designed around the specific needs of Debit Card customers. The new Debit Cards offer unique benefits such as reward points

on all spends, NFC-enabled contactless payments, complimentary lounge access at domestic airports on selected Debit Card variants, MasterCard Golf lesson on YES FIRST range of Debit Cards and YES InControl - card spend management features. The YES Prosperity Debit Card range comprises YES Prosperity Titanium, Titanium Plus, Platinum and RuPay Platinum Debit Cards, whereas the YES FIRST range includes the YES FIRST WORLD Debit Card. The Bank will issue these cards to all new customers, and also focus on offering them to its existing Debit Card customers. The Bank is also planning to launch a new Debit Card variant 'YES PREMIA WORLD Debit Card' for its customers in YES Prosperity and YES FIRST segments.

ATMs/Recyclers

YES BANK has 1,456 ATMs and Bunch Note Acceptors/ Recyclers (BNA) as of March 31, 2019. BNAs have been appreciated by many corporate clients as they offer multiple advantages while fulfilling corporate cash collection needs. The Bank has become the first Private Sector Bank to go live on Interoperable Cash Deposit platform and now YES BANK BNAs/recyclers can be used for depositing cash into any other bank account. The Bank is also the first to offer recharge codes for Google Play on its ATMs. YES BANK ATMs now offer a wide array of services right from Cash Withdrawals to Mobile Recharge Payments, as well as YES BANK Credit Card Bill Payments.

Digital Banking

YES BANK has continued investing significantly in new-age mediums and digital technologies to achieve heightened customer engagement and experience. The Bank realizes that 'digital' is steadily growing as a preferred medium for customers to avail banking services. Therefore, it has invested in upgrading core systems like CBS, Debit Card Switch, Mobility Platforms and Chatbots. The Bank will continue to invest in system upgradations for the next 12-18 months to create a next-generation banking platform, which can provide unified digital experience across internet, mobile, voice and bot channels.

The Bank has pioneered the implementation of 'Bot' technology for customer acquisition, personal banking assistance, cross-selling and customer servicing for various businesses. Unlike other Bots, which largely restrict users to explore services or seek product information, YES BANK's Bot also allows customers to transact over chat. Further, as Aadhaar proliferated, the Bank launched Aadhaar-based Banking and Payment Services (AEPS and Aadhaar Pay). Currently, YES BANK commands a leadership position with close to one-third market share of Aadhaar Enabled Payment System (AEPS) acquiring space. The Bank continues to build use cases around United Payments Interface (UPI) and Immediate

Payment Service (IMPS) and is counted among the top three players in both the payment systems.

The Bank is creating Centers of Excellence for Robotics and Analytics that shall play a vital role in reducing service time and enhancing customer interactions quality, which are the key customer delight elements. Digital Payments is another area, where the Bank has been focusing to gain leadership position. The Bank has plans to scale other payment services like IMPS, Bharat Bill Payment System (BBPS) and Prepaid Payment Instruments. The Bank has been working with multiple State Governments and Municipal Corporations by offering customized solutions and subsidy management platforms, thereby contributing to the Prime Minister's Digital India and Smart City Mission. The Bank has been selected to partner with Maharashtra, Rajasthan, Telangana, Haryana and Chhattisgarh State Governments for various projects. YES BANK has also been selected to implement customized smart city solutions for Coimbatore, Thoothukudi, Puducherry, Warangal, Diu, Silvassa, Nashik and Rajkot Smart Cities.

Point of Sale (POS)

YES BANK Merchant Services has always focused on implementing latest technology. It has adopted comprehensive Merchant Management System, which provides a seamless onboarding and transaction processing experience. The new system complements the Bank's current product suite of GPRS, PSTN, MPOS, PCPOS and NFC-enabled terminals, along with Bharat QR code. YES BANK is one of the fastest growing market players in the POS business with its terminal base growing by 1.6x over the previous financial year to 1,05,000 terminals spread across 300 cities, covering various sectors and segments.

Currency Chest

The Bank is expanding its network of Currency Chests and Small Coin Depots. Currently, it has two Currency Chests operational in Delhi and Mumbai, with a few more on the anvil. The establishment of Currency Chests reflects YES BANK's support to Reserve Bank of India's (RBI's) endeavor to increase the efficiency of currency management in the banking system. During FY 2018-19, the Bank ensured optimum supply of fresh/issuable currency across all touchpoints.

Contact Center

YES BANK has a dedicated 24/7 inbound contact center for Liability, Asset and Credit Card customers to resolve queries, complaints and service requests in three locations, Mumbai, Chennai and Gurgaon. The contact center offers multilingual services in English and regional languages. The contact center includes a dedicated

24/7 desk for Super Premium Credit Card, MasterCard World Elite and Concierge services for niche clients. Apart from rendering services, the contact center also seeks prospects from interested customers on additional products of the Bank, including Term Loans, Retail Assets, CASA and Credit Cards. In compliance with regulatory directives, a dedicated desk for customers wishing to reach the Senior Management is available. Additionally, the contact center piloted agent-assisted chat, as an option for those customers who write to the Bank's email id yestouch@yesbank.in

YES FIRST

The YES FIRST Program is the flagship offering for the High Net-worth Individuals (HNI) segment of the Bank's customer base. It encompasses best-in-class products across liabilities and assets, along with a comprehensive suite of wealth management solutions. The relationship-led proposition is coupled with state-of-the-art debit and credit card offerings that provide a host of leading features catering specifically to the needs of this segment.

YES PREMIA

The Bank recently launched 'YES PREMIA' as a dedicated offering for the affluent segment of customers, positioned between the existing YES FIRST and YES Prosperity programs of the Bank. It addresses the needs of both individual and non-individual customers. Having attained a critical mass of affluent customers, the Bank identified the requirement to create a separate strategy, which entails providing cutting-edge solutions across products and services, including but not limited to an industry-first debit card and a dedicated relationship manager.

Furthermore, the Bank has developed an industry-first analytical algorithm model, which provides talking points to the relationship managers. The model is aimed at improving customer engagement and cross-sell. This model has also been bestowed with the Aegis Graham Bell Data Science award for innovation in the Banking, Financial Services and Insurance (BFSI) sector.

Global Indian Banking

YES BANK offers best-in-class banking products and services for Indians settled across the globe and strives to continually enhance these offerings. FY 2018-19 witnessed a host of developments across the Bank's Global Indian Banking (GIB) proposition. The Bank accelerated its digital interface with the launch of YES Robot, which provides real-time responses to customer queries. The Bank has augmented its inward remittance solution—YES Remit—for NRIs based out of Canada and introduced a state-of-the-art user interface—YES Remit mobile app—which enables access

on-the-go. Overdraft facility against Foreign Currency Non-Repatriable (FCNR) Deposits was launched to help NRI customers meet their urgent financial requirements. The Bank strengthened its Portfolio Investment Scheme (PIS) offering by launching Power of Attorney facility for custodians/brokers. The Bank also organized the NRI Festival FY 2018-19 to enhance visibility of YES BANK's NRI Services by engaging with various NRI associations, clubs and societies across the country and overseas. Its representative office in Abu Dhabi completed three years of operation and has contributed to making UAE YES BANK's largest market for GIB business.

Rural and Inclusive Branch Banking

YES BANK now has a well-entrenched presence in the rural and semi-urban segment with an exhaustive network of over 400 banking outlets. The Rural and Inclusive Branch Banking vertical today comes with a wide array of customized product propositions across liabilities, assets and third-party insurance and investment segments. YES BANK has launched differentiated asset products in farmer finance, allied agriculture finance, farm mechanization finance and micro-enterprise finance space to cater to the multi-faceted needs of the 'RURBAN' customers. The Bank continues to proactively engage with the local community and has conducted over 2,350 financial literacy camps in the rural and semi-urban geographies in FY 2018-19.

Credit Cards

The Bank launched the Commercial Cards product line marking the completion of its offerings across retail, SME and commercial card segments. Commercial Cards cater to Business-to-Business (B2B) spends of corporates and offer yet another rich engagement opportunity to further deepen the Wholesale Banking relationship. Products in this segment include Corporate Cards for travel and entertainment expenses and Purchase Cards for payables and receivables management. The Bank now offers a wide range of 13 Credit Card product variants across its flagship customer segments of Yes Private, YES FIRST, YES PREMIA and YES PROSPERITY. This range of portfolio is backed by a highly effective Alliance and Loyalty program, digitized acquisition and servicing platforms, and above all, a very robust and effective credit-management framework. With 5+ lakh Credit Cards issued and monthly spends of above ₹400 crore, the Bank is poised to significantly scale its Credit Card business. The cards are designed to offer superior benefits on the back of world-class technology, class-leading alliances and partnerships. Backed by a consistent and superior service experience, the YES BANK Credit Cards program has been orchestrated to be the card of choice for the Bank's customers.

Retail Banking Assets

YES BANK expanded its product offering by aligning Working Capital under Micro Enterprises Banking Group (for customers with turnover of up to ₹15 crore) within the overall Retail Banking Assets Group. This will help the Bank to strengthen its retail offering and enhance customer satisfaction. The Bank's customers can select a wide range of Retail Loan products like Affordable Home Loans (YES KHUSHI), Home Loans, Car Loans, Super Bike Loans, Commercial Vehicle Loans, Construction Equipment Loans, Loans against Securities, Gold Loans, Personal Loans, Secured Business Loans, Health Care Finance and Printing Equipment Finance, along with Working Capital under one roof. This will help the Bank in increasing wallet share of customers with a 360-degree approach. The Bank has entered into Preferred Financier agreement with leading manufacturers of cars, commercial vehicles and construction equipment, thereby providing access to the wholesale and retail business of manufacturing dealers across India. The Bank currently offers retail products across 68 locations in 490 branches.

Small Enterprises Banking

Small enterprises are central to India's economic development – in the middle of a rapid economic transformation into a major global manufacturing and services hub. To efficiently serve the small enterprises throughout their lifecycle, YES BANK has adopted a focused 'Lifecycle Banking' approach to provide industry-specific and need-based financial solutions.

The Small Enterprises Banking (SEB) serves enterprises with a turnover in the range of ₹15 crore to ₹100 crore. YES BANK's relationship managers, product specialists and industry experts focus on providing continuous support and solutions to small enterprises at every stage of their business lifecycle, considering the constantly evolving business environment for them.

The unique 'Knowledge Banking' expertise with an 'Inclusive Banking' approach toward serving the needs of small enterprises acts as key differentiators for YES BANK. The Bank is consistently working toward making the banking experience more convenient by introducing simplified products, implementing digitization and reducing the overall Turn-Around Time (TAT). The Bank has also developed long-standing and meaningful associations with FinTech firms in this domain. It has inked MoUs and partnered with various Government bodies to provide easy and inclusive financial assistance, ensuring that the customers have access to best-in-class schemes and benefits.

This differentiated positioning, along with customized solutions, dedicated relationship team,

knowledge-banking experts and an extensive network delivers unmatched one-stop service to small enterprises, addressing their end-to-end requirements.

PRODUCT CAPITAL

Transaction Banking

The Transaction Banking Group (TBG) specializes in core banking offerings across Cash Management Services, Capital Markets and Escrow Services, Trade Finance and Services, Structured Trade & Supply Chain Finance, Foreign Exchange Services, Bullion and Digital Transaction banking. It provides these services under the aegis of the YES Transact brand. The team comprises domain specialists from diverse backgrounds with significant experience in product innovation, who interact with customers to understand and address their strategic financial and operating requirements in the following domains:

- ▲ Working Capital and Liquidity management
- ▲ Treasury integration
- ▲ Risk management
- ▲ Inbound and Outbound remittances
- ▲ Supply Chain Finance solutions, including Factoring
- ▲ Customized and innovative solutions, including integrated API Banking solutions for assisting process automation and/or integration with the customer's systems
- ▲ Regulatory and International Trade Advisory, including current and capital account transactions
- ▲ Digitized solutions for Domestic and Cross-Border Trade transactions
- ▲ Digitized solutions for Central and State Government entities
- ▲ Bullion Sales and Gold Metal loans
- ▲ Product management for IFSC Banking unit based in Gift City, Gujarat, across all permissible product segments
- ▲ Foreign Exchange Services across cross border remittances for Exchange Houses/Authorized Dealers, Foreign Currency Notes

The Digital Transaction Banking team offers innovative digital solutions by designing, developing and co-creating products with corporate customers, global banks and exchange houses, several times, besides 'future-proofing' the Bank's business model.

The Bank concentrates on process digitization with the ultimate aim of providing a superior customer experience.

The group has strengthened its focus on its digital strategy by building synergies among different product verticals, enabling unique opportunities to its clients. The state-of-the-art Corporate Net Banking (CNB) online platform provides comprehensive digital coverage across Cash Management, Trade Finance and Supply Chain Finance solutions to corporate clients and their constituents.

YES BANK has been building on its successful API Banking product—bespoke integration between Corporate and the Bank's internal systems with infinite possibilities—by adding more services under this channel. API Banking can be used in varying combinations to co-create unique solutions for YES BANK's corporate customers. The Bank has been at the forefront of digital innovation, with API Banking being the flagship product suite. Since the introduction of API Banking in September 2015, it has grown significantly with over 12 API sets and 700+ client implementations, seemingly largest by any bank worldwide.

The Bank recently instituted a 'Corporate Service Excellence' unit, which will provide superior and seamless customer service experience to enhance its service proposition.

YES BANK has won several national and international awards and accolades in FY 2018-19, as a testimony to this group's best-in-class offerings, including the Best Trade Finance Bank in India and Best Bank for Payments in India from the Asian Banker.

Financial Markets

The Financial Markets (FM) Group at YES BANK is backed by experienced professionals and best-in-class technology and offers a comprehensive range of financial market products and services to its clients.

The Foreign Exchange (FX) Sales business provides spot and derivative products for efficient hedging of Foreign Currency and Interest Rate exposures of the Bank's Institutional, Corporate, SME and Retail customers on a need basis. During FY 2018-19, the Bank operationalized a new workflow and internal FX rate booking system for smoother and faster processing of remittances, which helped in reducing turnaround times (TATs), and thereby enhancing customer experience. Online FX rate booking platform was also extended to SME and retail customers to facilitate a faster rate booking experience.

The Bank's well-established and buoyant Debt Capital Markets (DCM) business originates and distributes onshore Non-Convertible Debentures (NCD), offshore Masala and Foreign Currency (FCY) bonds, Commercial Papers and other Structured instruments. YES BANK continues to be an active market maker in the Indian Corporate Bond market, and has been a leading contributor in deepening

the Bond Market in India while introducing numerous first-time issuers to Corporate Bond Market.

During FY 2018-19, YES BANK's DCM business successfully executed debt capital raising transactions for several companies across diverse sectors, including media, renewables, metals, cement and pharmaceuticals. The transaction structures ranged from vanilla NCDs to structured debt issuances, including renewable asset pooling structure, share-backed NCDs, securitization of infrastructure assets and bank Tier II capital.

FY 2018-19 marquee transactions are:

- ▲ Sole Arranger for India Grid Trust's maiden NCD issuance of ₹250 crore: 'First-ever bond issuance by an Infrastructure Investment Trust (InvIT) in India'
- ▲ Sole Lead Arranger for NRSS XXIX's maiden NCD issuance of ₹3,000 crore: 'Single largest bond issuance by a Transmission Company in India'
- ▲ Lead Arranger for Green Infra Wind Energy's maiden NCD issuance of ₹1,000 crore: 'Maiden bond issuance by a Sembcorp Group entity in India'
- ▲ Joint Book Runner for 'Renew Power' USD 375 million 144A/Reg S Green Bond offering

YES BANK was ranked No. 3 by Prime Database in the 'Private Issuers – Manufacturing' Category of the Arrangers League Table and was ranked No. 5 in the 'All Issuers Category' League Table by Prime Database for FY 2018-19. Further, the Bank was ranked No. 5 by Bloomberg in the India Domestic Bonds League Table for CY18.

The Bank is a Primary Dealer (PD) for the Government of India's securities and as part of this mandate underwrites and bids for these securities in auctions held by the RBI. The PD desk actively trades and distributes dated securities, T-bills and State Government Bonds, thereby encompassing the complete suite of Sovereign Debt Products.

The FM Group also conducts proprietary trading to maximize earnings by optimal risk-taking across fixed income and global foreign exchange markets. Additionally, it is responsible for Balance Sheet Management, Liquidity Monitoring, Maintenance of Cash and Statutory Reserve requirements and day-to-day Fund Management of the Bank. Subordinated and hybrid debt capital for the Bank is also raised by the FM Group. Moody's Investors Service ("Moody's") affirmed the Bank's rating of Ba1 (Stable outlook). ICRA Limited (Moody's affiliate in India) has reaffirmed the Bank's A1+ rating for its ₹20,000 crore Certificate of Deposit program, which indicates the highest level of safety in the short-term. Also, the Bank's long-term rating is AA- (for Basel III Additional Tier I,

Basel III Tier I and Upper Tier II)/AA (for Basel III Tier II, Lower Tier II and infrastructure bonds)—rating watch with negative implications—by ICRA Limited; AA (for Basel III Additional Tier I)/AA+ (Basel III Tier II and Infrastructure bonds) (Negative outlook) by India Ratings and Research Pvt. Ltd.; AA (for Basel III Additional Tier I, Basel II Tier I and Upper Tier II)/AA+ (for Basel III Tier II, Lower Tier II and Infrastructure bonds)—credit watch with developing implications—by CARE Ratings Limited; and AA+ (for Basel II Tier I, Upper Tier II and Lower Tier II)—credit watch with developing implications—by Brickwork Ratings.

Loan Syndications

The Loans Syndication (LS) team has created a strong brand equity across stakeholders including Banks, NBFCs and other financial institutions. Over the years, the team has demonstrated strong credit appraisal and structuring skills as well as sectoral knowledge, which has been well appreciated across the stakeholder spectrum. The team has consistently distributed strong corporate loan exposure to banks and financial institutions, improving capital churning and effective yields on the Bank's advances.

The LS team has successfully placed underwritten deals aggregating to approximately ₹26,000 crore in FY 2018-19, significantly improving Return on Equity (ROE) on underwritten transactions for the Bank. The portfolio comprises of pedigreed players across the manufacturing, renewable energy, roads, airports, power transmission, ports and real estate sectors.

The team's consistent performance has placed the Bank among the top three syndication house for CY18 (domestic currency segment) in the League table ranking by both Bloomberg and Thomson for India.

Asset Reconstruction and Management Group

YES BANK's Asset Reconstruction and Management Group (ARM) was created for the effective management of distressed and non-performing assets comprising qualified and experienced professionals specializing in distressed asset management. The Group provides effective solutions for resolving stressed assets by leveraging its rehabilitation, regulatory and legal understanding.

The ARM Group employed multi-pronged resolution strategies, which included operational and financial restructuring, identifying strategic investors for takeover of stressed assets, business turnaround financing, negotiating with borrowers for one-time settlement, recovering through the enforcement of security interest

under the Securitization Act, 2002, using various enablers from extant RBI policies and selling non-performing assets to Asset Reconstruction Companies (ARCs).

Inclusive & Social Banking and Microfinance Banking

YES BANK promotes microfinance as a critical asset class in line with its Responsible Banking vision to mainstream sustainability within its core business and address the needs of the 'next billion' customers. It has a two-pronged strategy involving special divisions: Microfinance Banking (MFB) and Inclusive and Social Banking (ISB) to help this segment grow through design and implementation of various financial inclusion initiatives. At the Bank, financial inclusion is not just a social and regulatory obligation but a viable business opportunity.

ISB and MFB had the mandate to reach the unbanked and underbanked population in rural, semi-urban and urban areas with the objective to leverage technology and foster key partnerships to amplify their impact through relationship capital in the public, private and social sectors. They aimed to create viable business models while providing 'access to finance' to the bottom-of-the-pyramid customers.

MFB fulfils the agenda of financial inclusion by catalyzing the growth of the Indian Microfinance industry with an elaborate product suite. It includes Term Loans to Microfinance Institutions (MFIs) for further on-lending, cash management services, loan syndications and rated capital market loan products like pool securitization, Pass Through Certificates (PTCs). The MFB division caters to the financially marginalized communities by extending these services through 37 major clients, which are essentially Microfinance Institutions (MFIs) spanning 29 states.

ISB, under the aegis of Frugal Innovations for Financial Inclusion, has its flagship program – 'YES Livelihood Enhancement Action Program (YES LEAP)'. Under this program, the Bank partners with Micro Finance Institutes (MFIs), which are credible NGOs/private institutions and appoints them as Business Correspondents (BC) to provide financial services (Credit, Savings and Insurance) to women Self Help Groups (SHGs)/Joint Liability Groups (JLGs). This allows the Bank to leverage its BC partners' extensive footprint and scale its product and service offerings for the bottom-of-the-pyramid population at their doorstep. Since inception of the business, with the help of over 40 BC partners, the unit has cumulatively financed over ₹8,500 crore and has reached out to 25 lakh families in rural and semi-urban India, spanning 260 districts. In FY 2018-19, ISB has also launched a customized group insurance product – YES SHIELD for the YES LEAP clients. As 100% of groups associated with

the YES LEAP program are women-centric, YES LEAP has been able to contribute significantly toward strengthening women entrepreneurship and, paving the way for women empowerment even in remote areas of India. Being considerate about the needs of this segment, ISB has further launched YES SMILE (Specialized Micro Individual Loan for Enterprises) for the upgraded microfinance clients who have the aspiration to grow their micro business. This Micro Individual Business Loan is aimed at providing higher ticket size loans to the graduated microfinance clients and help them flourish in their existing business.

YES BANK uses a customized, semi-automated loan origination and loan management system, Ganaseva, to enhance its impact and delivery mechanism. Ganaseva offers flexibility to build adequate regulations, required risk controls, and enables real-time tracking of all activities in the system. It also provides high quality and informative reports with data analytics.

In line with the Bank's digital focus, continuous digital interventions have been undertaken such as digital field reporting with real-time GPS tracking of field staff through Microsoft Kaizala app, digital training modules, cashless transactions and others. The Bank also launched an onboarding app through Karvy, making a significant move toward paperless documentation and digitization. The new app will increase transparency and credibility, resulting in reduced TAT and better customer experience.

Taking a cue from the RBI guidelines on Rationalization of Branch Authorization policy regarding BC Banking Outlets, YES BANK opened 21 new BC operated Banking Outlets (BCBOs) in select un-banked rural locations. This has enabled the Bank to provide customized banking products and services in locations where it was

difficult to set up a Bank Branch, thereby contributing towards the Bank's Financial Inclusion goals. The Bank leverages innovative digital solutions such as Micro ATMs for providing banking services in these outlets.

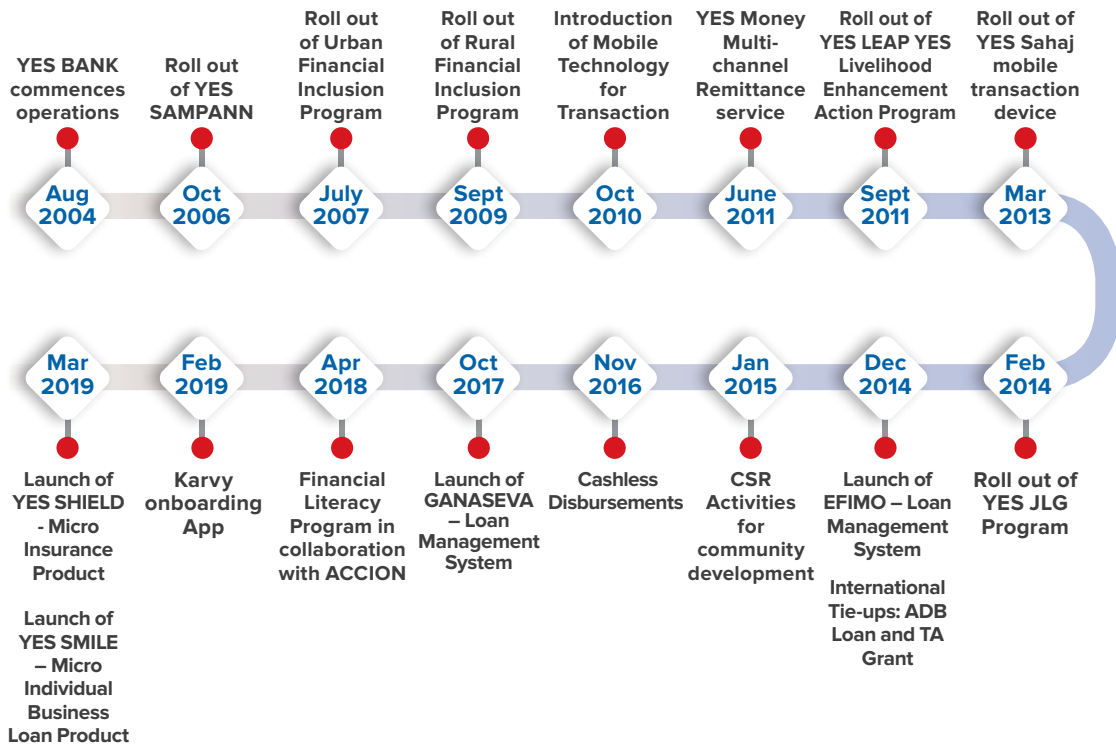
ISB has also been propagating financial literacy for customers as a part of its curriculum and everyday operations. This way it can cater to the vulnerable segments of the society that are susceptible to financial frauds. ISB follows a model which ensures that there is ample opportunity of customer interaction with the BC staff, as well as the Bank staff. To maximize communication with the clients, short story-based push call messages on financial education topics are designed in collaboration with AwaazDe and sent to the clients in vernacular languages. To further encompass all financial services and best practices to clients, a customized, extensive financial literacy module has been designed in collaboration with Accion International. The Bank's feet-on-street staff and the last mile BC staff use it for training customers in remote and underbanked/unbanked areas.

Over 70,000 clients have been provided basic financial literacy training with the help of these modules.

YES BANK curates these interventions carefully for the underprivileged and financially excluded section of the society to accelerate financial inclusion in the country.

The ISB team is also mandated with the implementation of the Bank's Financial Inclusion Plan (FIP) as approved by the Board and the RBI. The Bank performed well across almost all financial inclusion parameters and its radical FI4FI approach received several national and international accolades.

Spearheading Financial Inclusion



Agri Product Management

The Food and Agribusiness (F&A) sector is a sunrise industry, which is fuelling the growth of an emerging India and is of strategic importance to the country. With the Government of India's impetus on the F&A sector, it is set to take a quantum leap, thereby creating innumerable opportunities for the entities associated with it. With an objective of harnessing the innate potential of the F&A sector, YES BANK has institutionalized a specialized vertical, Agri Product Management (APM), which houses industry and banking professionals with the relevant domain knowledge and skill sets. The team interacts closely with F&A clients to create structured lending propositions for agri value chain participants, including farmers, MSMEs, as well as corporates. APM aims to facilitate the building of banking opportunities in the agri value chain through structured financial products that are regulatory compliant, while mitigating credit risk. The APM team is also responsible for ensuring that the Bank meets the regulatory Priority Sector Lending (PSL) norms, in collaboration with the other business units, which generate PSL assets. As a part of agri value chain financing, the Bank has created a robust portfolio against pledge of agri commodities while ensuring adequate risk mitigation. Within APM, a specialized team closely monitors the commodity pledge financing portfolio and

mitigates the inherent risks through mark-to-market of commodity prices and regular audits. The Bank's other focus area has been the emerging segment of Farmer Producer Companies (FPC), wherein it partners with select FPCs with sustainable business models, in an effort to create a sizeable and profitable portfolio.

PROCESS, SERVICE & TECHNOLOGY OVERVIEW

Service and Technology Capital

YES BANK undertakes various tech-enabled business initiatives to deliver improved customer experience, ease of banking and operational excellence, thereby enhancing customer delight. The Bank adopted an omni-channel approach to capitalize on the increasing ways to connect with customers and the rising importance of self-service channels as the primary way of banking. It has leveraged state-of-the-art technology to enable customer accessibility of all products across various channels through seamless multi-channel integration. The Bank has been simultaneously focusing on implementation of innovative practices in digital banking and digitization of end-to-end processes, to provide customer accessibility of all products across all channels.

Technology is a key enabler and facilitator of the critical goals of the Bank, allowing it to make systems and processes even more efficient. Since inception, YES BANK has continued to invest in technology to provide better products and superior customer experience. The Bank continues to spread its electronically linked Branch Network with state-of-the-art IT-enabled core banking platform to ensure customers have access to 24/7 banking services.

Business Processes – Creating A Quality Organization

YES BANK continues to refine its operational processes to implement best practices and risk identification and containment, which will enhance precision in operations of both Corporate and Retail businesses.

The Bank seamlessly extended its professional approach to business processes, resulting in continuous improvement in its pursuit of building a quality organization.

Key initiatives in FY 2018-19 were:

- ▲ The Bank has deployed an enterprise-level Customer Relationship Management solution, which provides it a single view for both Corporate and Retail customer segments. A lead management system has been built for the sales team to enhance their productivity.
- ▲ Centralized back-office functions, National Operating Centers (NOC) of various businesses are working in full capacity at Mumbai, Gurgaon and Chennai, covering over 4 lakh sq. ft. of office space and employs 9,000 people.
- ▲ The Bank has a dedicated 24/7 inbound Contact Center for Liability, Asset and Credit Card customers, which resolves queries, complaints and service requests in three locations namely Mumbai, Chennai and Gurgaon, offering multi-lingual services. The Bank also has a dedicated 24/7 desk for Super Premium Credit Card, MasterCard World Elite and Concierge, providing bespoke services for clients. In compliance with regulatory directives, a dedicated desk for customers wishing to reach out to Senior Management is also available, details of which are available on the website.
- ▲ Since October, 2018, YES BANK has extended chat services to customers who contact through email. A centralized welcome calling desk has been setup since August 2018 to provide seamless onboarding experience.
- ▲ The Bank's Inbound Contact Center was recently conferred with ISO 9001 Certification in December 2018.
- ▲ The Bank has successfully upgraded to new ISO 9001 (Quality Management) standard and adopted risk-based thinking, thereby aligning itself with the Enterprise Risk Management (ERM) Framework.
- ▲ The Bank has strengthened its Business Continuity Management framework (ISO 22301-certified) and Information Security Management framework (ISO 27001-certified) by including two Data Centers, five Branches, including their ATMs, apart from the two existing NOCs.
- ▲ Business Excellence frameworks and Quality Management Practices such as Five S, Lean and Six Sigma, and ISO 9001 standards established for back-office operations at NOCs, 101 key branches and the Bank's Collections Unit for Micro Enterprise Banking, Retail Asset & ISB and Credit Card Risk Management & Operations have been certified under ISO 9001 (Quality Management System).
- ▲ The Bank's complaints management processes have been certified under ISO 10002 (Customer Service – Complaints Management system). The Bank used the Complaints and Query Management framework as a singular touchpoint to log, handle, escalate and resolve customer grievances.
- ▲ YES BANK consistently measures Customer Experience (internal and external) to ensure customer feedback across each touchpoint (including customer complaint registers, customer satisfaction surveys, transactional interactions, telephonic surveys and employee feedback) is collected, analyzed and acted upon.
- ▲ The Bank has digitized transaction processing in critical functions for straight-through processing and enabling paperless transactions.
- ▲ The Bank leveraged social media as a new channel for superior customer service to address queries/complaints, receive feedback and garner inputs on service (Voice of the Customer – VOC).
- ▲ The Bank adhered to Banking Codes and Standards Board of India (BCSBI), Goiporia Committee recommendations, Damodaran Committee recommendations and the Committee on Procedures and Performance Audit of Public Services (CPPAPS) guidelines, thereby ensuring compliance across its critical functions.
- ▲ As part of Insta Gratification spirit, the Bank has taken an initiative to provide fast-track processing (within two hours) of key customer requests.
- ▲ The Bank is in the process of implementing 'Robotics Process Automation' to optimize internal processes with a view to provide faster and accurate services.

Embedding a Continuous Improvement Approach

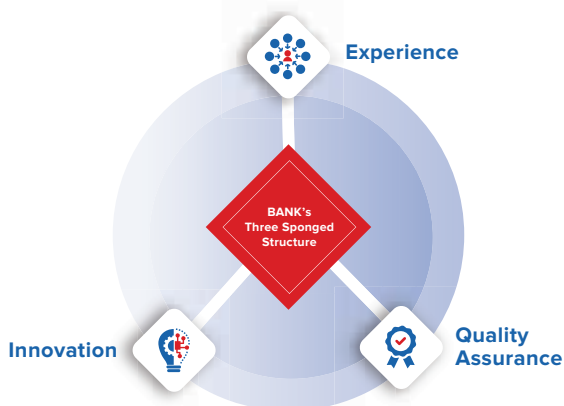
YES BANK's Quality Assurance and Service Delivery Units provided a framework that facilitates continuous improvement. The Quality Policy at the Bank states, 'YES BANK will strive to ensure consistent superior service experience through operational excellence, innovation, cutting-edge technology, best-in-class systems and processes in its mission to become 'The Finest Quality Large Bank of the World in India'.

The Service Quality Strategy

The Service Excellence & Quality Assurance teams take up focus initiatives under the framework of Lean and Six Sigma integrated methodology toward improvement of service and process standards. The team actively engages with customers across various channels to capture the feedback, which is analyzed before being taken up for improvements.

The complaints management team partners with respective units and conducts Root Cause Analysis on an ongoing basis to address repeated issues.

YES BANK's Service Quality infrastructure is built on the world-renowned Plan-Do-Check-Act (PDCA) model of Deming's improvement cycle. Under this, the Bank's branches are visited by specially skilled quality professionals for a detailed review of the service delivery processes. This entails assessment, gap identification, root cause analysis, action plan and execution. The entire process is closed looped with actionable and closures.



The Bank's three-pronged structure to bolster customer service comprises customer experience, innovation and quality assurance. The Customer Experience unit captured the Voice of the Customer (VOC), and assessed

performance across key service drivers. These initiatives were managed through the Innovation Center, which acted as a clearing house for ideas that helped the Bank implement 'next practices' across products, services and channels.

Specific quality goals were classified across the categories of Process Management and External and Internal Service Delivery in line with the Bank's Quality Policy and Objectives. Quality improvement drives, like workforce suggestion schemes, Lean Six Sigma, Five S, ISO 9001 and ISO 10002 certifications were implemented across business units and branches.

Being a member Bank, Service Excellence team proactively engages with all the customer facing channels to ensure compliance with the BCSBI code. This has enabled the Bank and its service delivery processes to be more robust and customer friendly.

At the Bank, external and internal service delivery (customer satisfaction) was measured using dashboards, Voice of the Customer (VOC), Branch Service Committee Meetings, and External/Internal Customer Satisfaction Surveys. These initiatives not only helped build mutually-beneficial customer relationships, but also ensured stringent Service Level Agreements (SLAs) across the Bank.

The YES Service Program, an internal service proposition, disseminated through a defined and ongoing service marketing program, and measured through mystery shopping, on-job monitoring and Branch Executive Leadership Team (BELT) programs, were held periodically across key branches.

The Bank undertook several strategic and tactical improvement projects during the fiscal year.

The leadership of each business unit reviewed existing processes, initiated improvements and instilled procedural orientation. Within a short period, the Bank has been recognized as 'world-class' in the Service Category by Asia Pacific Quality Organization. The Bank is also the only Indian Bank to win this prestigious global award based on Malcolm Baldrige Business Excellence Framework (USA).

Some of the Key Award in Quality, Customer Service and Best Practices:

2018 CII Award for Active Customer Engagement' – (Service) – CII

Information Technology

Technology Absorption

(I) Efforts Toward Technology Absorption

The advancements in Information Technology (IT) have led to accelerated development in newer technologies, resulting in higher demand for digital solutions to create alternative banking products that deliver customer delight through a better service delivery framework.

Since inception, YES BANK has been at the forefront of technology innovation and adoption, and will continue its focus on technology. This will enable the Bank to build a more secure, resilient, and seamless way of interacting and transacting for customers. It will further enforce YES BANK's endeavors to become a technology-led company in the business of banking.

During FY 2018-19, several new initiatives were completed successfully, as well as systems were upgraded to latest versions to support the growing needs of the Bank. The key Bank-wide projects completed during FY 2018-19 were:

- ▲ **Right Sourcing Strategy:** YES BANK has successfully completed transitions of end user support system, IT infrastructure management and business applications maintenance, among others from total outsourcing arrangements to Right Sourcing operating model. This ensures retention of key technology talent and a more efficient use of partners. The model further entails the use of an optimal mix of insourcing and outsourcing of staff to support and maintain technology assets like business applications and IT infrastructure.
- ▲ **YES RAPIDO:** A truly modern, state-of-the-art, lightweight workflow management solution having a front-end using Progressive Web Apps has been implemented by the Bank. YES Rapido leverages the power of Cloud technologies like Kubernetes and micro services to make it one of the most agile and resilient technologies. This digital fabric solution will form a critical part of furthering digital transformation objectives of the Bank.
- ▲ **YES Genie:** YES Genie leverages the Bank's efforts to consolidate all its customer data (transactions, interactions, behavioral attributes and so on) into the Big Data platform (Hadoop) as its Enterprise Datawarehouse technology. It is built using Modern Application Architecture (the state-of-the-art Microservice

Mesh using Kubernetes, Google Istio and other latest technologies). As part of the first phase, YES Genie creates a single view of customers across all banking relationships with the Bank. Besides, it allows a call-to-action enablement to assist in delivering services.

- ▲ **YES Bank Datathon:** This initiative was launched with the objective of crowd sourcing ideas and building an augmented data science team for the Bank. In the 1st edition, YES BANK received an overwhelming response with over 6,000+ applications. The key outcomes of the YES BANK Datathon's 1st edition were building data model prototypes for the Next Best Action model (predicting a next-best action of a customer/user), Anomaly Detection model for POS terminals to ensure higher service levels and a Recommender model for relationship managers to identify priority customers.
- ▲ **API Banking:** YES BANK has undertaken tremendous strides to ensure a stronger connect with its customers and ensure a seamless experience when transacting and/or making basic enquiries. Currently, it has more than 850 customers on API Banking and this continues to grow at a healthy pace. This product offering is replicated across Enterprise Technology Architecture and the 'API first' philosophy is being imbibed by the Bank's technology team.
- ▲ **Awards and accolades:** YES BANK won multiple awards at the prestigious Indian Banking Association Awards 2018-19. The Bank was recognized with – Best use of customer-centric technology solution – Winner and Best Technology Bank 2019– Runner Up, Best use of Analytics for superior Customer experience – Runner Up.

(II) Proposed New Projects

There is a healthy pipeline of exciting new initiatives, which will enable YES BANK to deliver world-class digital-first customer service in both assisted and self-help mode.

- ▲ **Retail Net-Banking Upgrade:** A completely refreshed and revamped Retail Net-Banking platform is expected to be launched in FY 2019-20. It has been built using state-of-the-art security framework and using concepts of the Modern Technology architecture.
- ▲ **Unified Cash Management and Corporate Net-Banking Solution:** A robust Core System is critical to deliver a superior experience to

all corporate customers of the Bank. The new solution will enable a more seamless and straight-through processed environment for customer transactions. This will also be scaled up further to ensure it promptly address the needs and expectations of customers and growing business volumes.

- ▲ **Extend Cloud-based Use cases:** YES BANK plans to use Cloud infrastructure extensively to ensure that the power of FutureTech is being leveraged across all levels of the Bank.
- ▲ **Apollo Program for OSD Technology Transformation:** With a vision to position YES BANK as the most 'Customer Centric' Bank in the services segment and focus on the end-to-end Operation Service Delivery (OSD) Technology Transformation with Digital Solutions, Apollo Program will review, re-imagine and/or re-engineer every Business Operations Process, keeping customer at the forefront with the objective to ensure Efficiency, Productivity, Risk Management, and Compliance.
- ▲ **Rural Retail Banking:** The Bank is building a comprehensive mobility platform to create a paperless banking experience and become the preferred banker in rural and semi-urban geographies.

HUMAN CAPITAL MANAGEMENT

YES BANK pursued a strong employee value proposition of 'Creating & Sharing Value' driven by the ethos of Professional Entrepreneurship; a talent philosophy of Owner-Partner-Manager and superior employee experience, designed to encourage and reinforce a strong culture promoting meritocracy, performance and prudent risk taking.

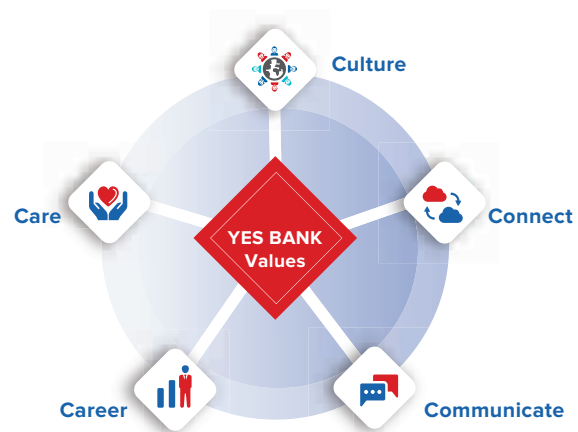
The Bank's Human Capital engagement practices are targeted at enhancing the brand as a Preferred Employer of Choice among new-age knowledge human capital. It deploys a suite of best-in-class initiatives that deliver fast-paced, high-quality and predictive human capital outcomes leveraging technology-driven digital platforms.

The Bank made significant people investments in FY 2018-19 by building Human Capital capacity, both in terms of leadership capabilities and requisite skills through institutionalized initiatives. These initiatives encompass learning and development interventions, employee engagement driven through digital platforms and holistic well-being embodied through 'YES Personality'.

Some of the key highlights of the Bank's Human Capital practices are illustrated below:

Executive Engagement

5 C's Employee Engagement Model



YES BANK follows the 5 C's Engagement Model comprising Culture, Communication, Career, Connect, and Care, to engage its growing workforce. The Bank engages and develops Human Capital by disseminating and reconnecting YES BANKers with the Bank's core values, by creating an intentional culture, encouraging open and honest communication, strengthening connect with employees and community, supporting career development and showing their care as an organization.

Holistic well-being forms the cornerstone of YES BANK's employee engagement model, disseminated digitally through targeted initiatives under each of the pillar.

YES Club

With the objective of encouraging an atmosphere of fun, camaraderie, and to provide YES BANKers a platform to showcase their talent and creativity, YES CLUB was launched across its hub branches. 'YES CLUB' facilitates participation in activities around three broad themes: Social, Culture and Sports. Since its launch, YES BANKers across the Bank's 262 hub branches have organized and participated in activities such as sports tournaments, adventure sports & trekking, arts and crafts exhibitions, photography contests, blood donation camps, and employee volunteering activities.

YES CLUB – Wellness

YES BANK recognizes employee well-being as the foundation that will enable fostering of high-quality, customer-centric, service-driven workforce committed to realizing its vision. Wellness forms a primary driver in the Bank's endeavors of engaging with its executives; while physical, emotional and nutritional well-being form the cornerstone of its wellness agenda. Wellness at YES BANK is implemented through both physical and digital channels using gamified solutions coupled with on-site fitness and health-related sessions.

YES League of Excellence

YES BANK launched its revamped rewards and recognition online portal called the 'YES LEAGUE OF EXCELLENCE' to provide a formal recognition platform to recognize and reward Excellence at the Bank. This will simultaneously give rise to a 'culture of appreciation'. All YES BANKers have the option to appreciate and wish their colleagues on achievements or occasions, while reporting managers can nominate colleagues for rewards such as Employee of the Month.

University & Schools Relationship Management (USRM)

University and Schools Relationship Management (USRM) is a structured, sustainable and scalable engagement program, which has created and maintained mindshare for YES BANK and plays a pivotal role in building YES BANK's brand as an 'Employer of Choice' among the best educational institutions in India and abroad. USRM was instrumental in hiring 29 students from the Top 20 B-schools of the country as a part of the YES – Professional Entrepreneurship Program (Y-PEP) 2018-19.

YES BANK Transformation Series

The USRM team launched the 7th edition of 'YES BANK Transformation Series', a case study competition that endeavors to make India's youth aligned to business issues by instilling a problem finding and solution mindset. What began in 2010 as a case study challenge for B-school students has been scaled exponentially to bringing global organizations, government entities and students across India's management and tech institutes to chart the roadmap to solve issues of national importance. Recently, the initiative was also ranked as fourth most prestigious B-School competition of 2019 by Dare2compete (a leading platform and community for B-school news and competitions), based on student responses.

YES Future Ready

USRM also kicked off the 5th season of YES Future Ready scholarship program in January 2019. The program identifies 30 student scholars from India's premier B-schools and engineering institutes and awards them a scholarship of ₹2 lakh for consistent academic excellence. It endeavors to make scholars 'future skilled' by making available resources and mentorship focused on new-age digital and technology focused aspects, beyond their college curriculum.

USRM has a keen focus on engaging and onboarding 'early talent' as a driver to propel YES BANK's growth objectives.

YES School of Banking (YSB)

YES BANK has always strongly believed that knowledge is a key differentiator, and continues to invest in developing its Human Capital for creating differentiated capacity, capability, and culture and confidence. In line with this belief, the Bank institutionalized the YES School of Banking in 2007. The academy was established with a vision to create a Center of Excellence for learning solutions in banking and related areas, and drive alignment of business goals at every stage of the organization's growth. All learning and development initiatives at YES BANK are domiciled under the aegis of this dedicated knowledge function.

The key focus areas for YSB are:

- ▲ Future Now Programs to equip all relevant employees on 'Emerging Concepts and Technologies' in the banking eco-system
- ▲ Certification of staff based on Capacity Building in Banks and All India Financial Institutions (AIFIs) and IT and Cyber Security
- ▲ Leadership Development framework for all management bands to ensure a culture of positive and impacting leadership
- ▲ Training initiatives that are fully aligned to the business, people and growth priorities of the Bank
 - ▲ Productivity Enhancement
 - ▲ Cross-sell
 - ▲ Service Culture
 - ▲ Compliance
 - ▲ Digitization

Women Centric Initiatives

Say YES to G.R.A.C.E.

YES BANK has revised the Policy for Prevention of Sexual Harassment in line with the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules, 2013.

With a view to create a robust framework for dissemination, awareness creation, and periodic reiteration of Prevention of Sexual Harassment policy among all executives, the Bank launched 'Say YES to G.R.A.C.E', where G.R.A.C.E stands for Gender Respect and Commitment to Equality. This initiative is applicable to all YES BANKers irrespective of their gender. Keeping in mind the focus on women's safety in India, this initiative has played a key role in gender sensitization.

YES WE CARE: Celebrating 'Special Moments'

YES BANK rolled out benefits for its employees, who adopt children, in an effort to align organizational objectives with the emerging needs of its employees. Recognizing that many new parents choose adoption and they need to spend time with the child to build an emotional connect, the Bank introduced the benefits, applicable from August 1, 2016.

Under the new policy called 'Bringing A Beautiful Yes', rolled out under the 'Yes We Care' initiative, employees adopting a child will be offered paid leaves. Female employees adopting a child of six years of age or below can take up to two months of paid leave, and a month of paid leave for adopting a child over the age of six years (up to 14 years).

The Bank has also enhanced its existing paternity leave policy to include seven days of leaves applicable even in the case of adoption. Mothers resuming work post adoption receive a monetary gift voucher to welcome them back.

24*7 Helpline Number

YES BANK has in place a 24/7 Helpline Number for emergency situations available to all YES BANK employees. An employee just needs to dial or send an SMS to an emergency number to trigger an SOS call/SMS to the registered emergency contacts of the executive, including the manager and HCM Relationship Manager.

Diversity Recruitment Drives – Increasing Women Workforce at YES BANK

The Bank has focused recruitment drives and campus placements targeting women employees for Branch Banking in metro locations. During the last financial year, the Bank increased its focus on gender mix in leadership

roles across middle, senior and top management, resulting in an increase in representation of women executives in key positions.

Rewards and Recognition

YES BANK was recognized as:

- ▲ Winner of 'Golden Peacock National Training Awards' 2018 (Private Banks)
- ▲ The No.1 'Dream Company to Work For' and 'Best Employer Brand' by the World HRD Congress 2019
- ▲ Transformation Series 2018 award for the fourth Most Prestigious B-School Competitions in March 2019 presented by Dare2Compete in association with CNBC TV18
- ▲ Ranked fourteenth in LinkedIn list of 'Top 25 Companies where Indians want to work' for 2019

RISK MANAGEMENT

The long-term financial security and success of the Bank is built on its robust risk management system. Risk Management at YES BANK is based on three lines of defense principles: Business units, Independent Control Functions, and Audit. Through proactive and improved risk management practices, the Bank's risk management function continuously works toward achieving financial stability and enhancing stakeholder value. The Board of Directors of the Bank has the overall responsibility for Risk Management. The Risk Management Architecture of the Bank is overseen by five Board-level Committees: a) Risk Monitoring Committee (RMC), b) Audit Committee (AC), c) Fraud Monitoring Committee (FMC), d) Board Committee on Wilful Defaulters & Non-Cooperative Borrowers (BCWD&NCB), and e) Board Credit Committee (BCC). The Board-level Committees strive to put in place specific policies, frameworks and systems for effectively managing the Bank's various risks.

Risk Management Unit

The day-to-day functioning is managed by the Risk Management Unit (RM). The RM unit is headed by the Chief Risk Officer (CRO), who leads the Credit Risk (Underwriting) unit, General Legal Counsel and other Risk units. The CRO reports to the MD & CEO. The CRO is responsible for ensuring an effective implementation of an enterprise-wide risk management framework through various risk policies, processes, limits and controls that enable prompt risk identification, accurate risk measurement and effective risk mitigation. The CRO is also responsible for risk compliance and monitoring, as well as reviewing and presenting various risk reports, policies and dashboards to RMC and the Board.

The RM unit is designed to establish an effective, non-silo-based Enterprise Risk Management (ERM) framework to ensure sustainable business growth with stability. It is also focused on promoting a proactive approach in identification, assessment, management and reporting of risks associated with the Bank's business. The RM enables the Bank to successfully meet its business and financial goals, while maintaining effective Board and management oversight on risk and control parameters.

Enterprise Risk Management

YES BANK has an Enterprise Risk Management (ERM) unit that is responsible for implementation of the ERM framework, risk aggregation, and risk-based pricing. The ERM unit is also involved in risk assessment of Pillar II risks, viz. Reputation Risk, Compliance Risk, Concentration Risk and so on. Basel II/III compliance, Internal Capital Adequacy Assessment Process (ICAAP), and bank-wide stress testing.

The Bank has two Committees: Enterprise Risk Management and Capital Management Committee (ERCC) and Reputation Risk Management Committee (RRMC). ERCC is responsible for overseeing ERM and Capital Management, while ensuring that all material risks are identified, measured, monitored and controlled in accordance with the Bank's risk appetite, as well as within regulatory guidelines. The RRMC oversees the reputation risk profile, designs proactive steps for enhancement of reputation of the Bank and management of reputation risk events for the Bank.

The Bank has successfully migrated to Basel II capital adequacy norms since March 31, 2009. Under this, it has adopted the 'Standardized Approach' for measurement of Credit Risk, 'Basic Indicator Approach' for Operational Risk and 'The Standardized Duration Approach' for Market Risk. The Bank has also implemented the Basel-III norms, and has laid down a roadmap for migration to advanced approaches for capital charge computation, across Credit Risk, Market Risk and Operational Risk. The Bank has formulated an overarching ERM Policy and an extensive policy on ICAAP commensurate with the Bank's size, level of complexity, risk profile and scope of operations. The Bank has thus evolved a robust enterprise-wide risk management framework, which is geared to support the strategic objectives and business plans of the Bank.

Credit Risk

YES BANK's Credit Risk management is governed by a comprehensive and well-defined Board-approved Credit Policy. It encompasses credit approval processes for all business segments, along with the guidelines for monitoring and mitigating the risks associated with

them. All corporate credit proposals are approved either through a committee approach or through Joint Delegation, depending on rating and exposure thresholds outlined in the Credit Policy. The Bank currently has four committees for approving credits, including Board Credit Committee (BCC), Management Credit Committee (MCC), Executive Credit committee (ECC) and Retail & Business Banking Credit Committee (RBBCC). Of these, the BCC is a Board-level sub-committee, while MCC, ECC and RBBCC comprise Top and Senior Management personnel. Joint Delegation involves two or three approvers jointly approving the proposal, which primarily addresses large volume of small ticket proposals. While exercising their sanctioning powers, these designated committees/functionaries exercise the highest level of due diligence and ensure adherence to the Bank's Credit Policy and other regulatory guidelines.

The appraisal process encompasses a detailed risk assessment and rating of obligors, using the Bank's rating models. These models have been developed in conjunction with a reputed external credit rating agency and cover all corporate business segments of the Bank. The ratings of customers are assessed based on their financial performance, industry characteristics, business positioning, project risks, operating performance and other non-financial parameters such as quality of management and conduct of account.

The Bank additionally has in place scorecards for specific schematic programs in case of Retail and SME borrowers. This function works in close coordination with various business segments to periodically review the individual borrower relationships and assesses the overall health of borrowers. The Bank has taken proactive measures to ensure that delinquencies keep to a minimum level through robust post-sanction monitoring processes. There is a dedicated team which works toward ensuring compliance to the sanctioned terms and conditions through an internal tracking system.

There is also an independent 'Portfolio Analytics Unit', which is responsible for monitoring the entire credit portfolio across all segments, including identifying portfolio trends and generating portfolio-level MIS covering various credit quality indicators. Further, the 'Credit Risk Policy Unit' is responsible for independently reviewing the Bank's credit policies and programs, including validation and monitoring of rating models. The Unit is also responsible for migration to Internal Ratings Based (IRB) approach and IndAS for Credit Risk. The Bank has an active legal department that helps in assessing and managing Legal Risk. The department has developed a comprehensive set of standard documents for various types of credit products and is responsible for ensuring legal compliance of applicable laws and

ensuring that the documentation entered into by the Bank is legally valid and enforceable.

Market Risk

YES BANK's Market Risk management is governed by comprehensive Board-approved policies such as Market Risk Policy, Asset Liability Management Policy, Investment Policy, Hedging Policy, Stress Testing Policy, Derivative Policy, Derivative Appropriateness Policy and Liquidity & Contingency Funding Policy, to ensure that risks underwritten across business activities are within the stipulated risk appetite of the Bank, and also to ensure that similar risks are aggregated. These policies have been benchmarked with industry best-practices and RBI regulations.

The Bank has an integrated, straight-through processing and state-of-the-art treasury system for enabling better risk management. The Bank measures liquidity, currency, and interest rate risks through various metrics, encompassing Liquidity Monitoring, Liquidity Gap Analysis, Liquidity Coverage Ratio, along with other Liquidity Ratios, Value at Risk (VaR), Earnings at Risk (EaR) and Market Value of Equity, among others, based on regulatory guidelines or using robust internal risk models. The Bank also regularly conducts stress testing to monitor the Bank's vulnerability towards extreme but plausible unfavorable shocks. The Bank monitors and controls its risks using various internal and regulatory risk limits for trading book and banking book, which are set according to a number of criteria, including economic scenario, business strategy, peer analysis and the Bank's risk appetite. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees, including Investment and Financial Markets Management Committee and Asset Liability Committee, among others.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational Risk includes legal risk but excludes strategic and reputational risks. It is inherent in the Bank's day-to-day business activities.

The Bank has implemented a robust and comprehensive Operational Risk Framework defined as part of the Board-approved Operational Risk Management Policy to identify, assess and monitor risks, strengthen controls and minimize Operational Risk losses. The Bank has constituted the Operational Risk Management Committee (ORMC), consisting of Senior Management of the Bank for implementation and monitoring of the Operational Risk Framework throughout the Bank. The Committee is also responsible for reviewing Operational Risk profiles of the

business units, understand future changes and threats, and concur on areas of highest priority and related mitigation strategy.

The Bank has also constituted a Product and Process Approval Committee (PPAC) for approval and risk evaluation of all new products/modifications to existing products for the Bank. The Bank has further implemented a Business Continuity Management Committee (BCMC) as a sub-committee of ORMC, responsible for development, implementation and ongoing monitoring and review of the effectiveness of the Business Continuity Plans (BCP) across the Bank.

Additionally, the Bank has also constituted Outsourcing Management Committee (OMC) to review the effectiveness of the outsourcing policy and procedures and to ensure effective due diligence and monitoring of the Bank's outsourced activities on a continuous basis.

Climate Risk

YES BANK recognizes climate risk and refers to the Financial Stability Board's Taskforce on Climate-related Disclosures (TCFD) recommendations to address it. In the last financial year, the Bank's management committees consider climate risk in their briefing and the Bank's Internal Capital Adequacy Assessment Process details its importance within the framework, alongside other Pillar – II risks.

YES BANK broadly categorizes climate risks into physical and transitional risks. Physical risks are a consequence of direct physical impacts of climate change and range from acute risks (such as extreme weather events) to chronic risks (like gradual rise in sea level and temperature). Due to these acute and chronic changes in climate, the Bank faces risk to its physical assets, which could result in service disruption. The Bank remains ISO 22301 certified, an International Business Continuity Standard, to effectively address these possible service disruptions. This certified and robust business continuity plan helps manage any potential service disruption at all its locations.

Transition Risks arise from external efforts to address climate change, including but not limited to regulatory and policy changes, technological advancement or shifts in investor sentiment and consumer behavior. Globally, there are many countries adopting climate related regulation. India is also expected to bring in more stringent regulations, which may negatively affect the Bank's assets. The Bank remains future focused and is addressing this eventuality by educating its employees on climate risks and mitigation strategies through climate-related sector briefs.

The Bank is aiming to address such technology transition risk by bridging the innovation gap in the industry. YES BANK is identifying and supporting the next generation of climate-related technologies through its multi-track accelerator program, YES SCALE, for startups. The accelerator focuses on scaling innovations for Smart Cities, Cleantech, Agri-tech, Life Sciences and Education. Through this accelerator, the Bank is engaging with innovative models that are leveraging new-age technologies. The startups are addressing climate-related challenges affecting business across water, energy, waste, food tech, supply chain tech, farm tech, smart mobility, smart utility, data and governance. The program connects startups and their solutions to industry leaders; experts; corporates; government bodies; investors and so on, while also strengthening the Bank's strategy to technological advancements.

The Bank has started aligning its annual disclosures to the Financial Stability Board endorsed TCFD recommendations last year. This is helping the Bank gather and analyse its lending activity to climate-related sectors, and disclose financed emissions of some carbon-intensive sectors in a phase-wise manner. The Bank has initiated these efforts to pre-empt investor and stakeholder demand for climate-related disclosures.

Cyber Risk

In the last few years, the financial sector has witnessed significant investments in digitization and adoption of the same. This has led to the implementation of cutting-edge technologies in the segment that enable prompt services to customers. However, with the rise in digitization, security risks have emerged, which could occur due to the breach of confidentiality, integrity and availability of classified data as a result of external or internal cyber-attacks. YES BANK has an Information Security Unit under the Risk Management Unit, to keep a check on the applicable Cyber Risks.

The Bank has a governance structure in place for effective security management. The Security Council has been constituted with cross-functional representation at leadership level, which meets at quarterly intervals to review the implementation of Information Security management system in the Bank. The Bank has implemented Board-approved Information Security Policy and Cyber Security policy, as directives to protect the information assets of the Bank. The security practices in the Bank are ISO 27001:2013 certified.

The Bank has implemented a multi-layered security defense to protect against Cyber Risks. The Bank periodically conducts security testing of all applications (old and new) and IT infrastructure and technologies

to ensure that security issues, if any, are proactively identified and remedied. To monitor Cyber Risks, the Bank has a Security Operations Center (SOC), which keeps vigil on actionable threat intelligence, suspicious network traffic and events to timely detect any anomalies and help respond to potential incidents. Further, the Bank keeps the employees, customers, and other stakeholders aware of the global cyber threat landscape and risks applicable, to protect them from becoming victims of cyber-attacks.

INTERNAL AUDIT

The Internal Audit Department (IAD) provides independent, objective assurance and consulting services designed to add value and improve the Bank's risk and control environment. The IAD aids the Bank's Management through its assessments to monitor adequacy, effectiveness, and adherence to internal controls, processes and procedures instituted by the Management and the extant regulations.

IAD reports to the Audit Committee of the Board (ACB) for audit planning, reporting and review and to the Managing Director & CEO for day-to-day activities.

The IAD is staffed with professionally qualified team members with additional relevant certifications. Through an effective training program, the IAD ensures that all the team members are up-skilled at frequent intervals.

The function has adopted a risk-based approach of Internal Audit structured by taking into account the RBI guidelines and internationally established best practices. A Risk Based Audit Plan (RBAP) is prepared annually and is duly approved by the ACB. The ACB monitors the progress of the RBAP, at least quarterly. The IAD prepares a report for each audit and recommends mitigation plans for the risks identified and ensures compliance with all the recommendations.

Additionally, the Bank also subjects its operations to Concurrent Audit by reputed audit firms to complement its Internal Audit function. The Concurrent Audit covers core activities such as the Operations, Financial Markets, Data Center and Branches in compliance to the regulatory guidelines. All audit reports are circulated to the relevant management teams and the Audit Committee of the Board.

The Bank's Internal Audit department is ISO 9001:2015 certified (Quality Management System).

COMPLIANCE

Ensuring compliance with regulatory requirements and building trust among all its stakeholders is an overarching consideration at YES BANK. The dedicated Compliance Department strives to be at the forefront of regulatory

changes and continues to work closely with all businesses and operations at the Bank, to ensure compliance with all existing and new requirements. The key functions of this department include identifying effective procedures and corresponding controls to support the Bank's business divisions as well as dissemination of key regulatory updates affecting the various businesses of the Bank. The department also reviews new products and processes from a regulatory compliance perspective, providing guidance on compliance-related matters, conducting compliance reviews and imparting training to employees on compliance aspects, among others. The Bank has also put in place a 'Know Your Customer' and 'Anti-Money Laundering Policy' approved by the Board of Directors, and transaction monitoring procedures, as per the regulatory guidelines.

YES BANK SUBSIDIARIES

YES SECURITIES (India) Limited (YSIL)

YES SECURITIES (India) Limited or YSIL, the Bank's wholly-owned capital markets intermediary, completed five years of operations in FY 2018-19. YSIL, today, offers retail, HNI and corporate customers a comprehensive range of products and services, encompassing Investment Banking (including a dedicated Sustainable Investment Banking practice), Merchant Banking, Wealth Broking, Advisory, Research and Institutional Equities services.

YSIL is a SEBI* registered Stock Broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Multi Commodity Exchange (MCX). YSIL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst.

**Securities and Exchange Board of India*

Wealth Broking

In FY 2018-19, YSIL's Wealth Broking business continued to enhance its product and service proposition to offer customers a more comprehensive investment management experience. YSIL offers a best-in-class 3-in-1 proposition in major cities across India. Its online trading platform (available on web and mobile app) witnessed consistent growth in client transaction volumes further complementing the growing engagement between high net-worth clients and the dedicated dealing desk.

Key highlights of FY 2018-19:

- ▲ 162% y-o-y growth in Broking & Delayed Payment Charges (DPC) income
- ▲ 268% y-o-y growth in Portfolio Investment Advisory (PIA) Asset Under Advisory (AUA)
- ▲ Launch of dedicated Currency Desk

- ▲ Setup dedicated Hedging Desk
- ▲ Strengthened Research credentials and expanded coverage universe (fundamental, thematic, technical)

In FY 2018-19, YSIL took significant strides in achieving the long-term vision of establishing itself as a research-backed and client-centric multi-asset wealth solutions provider. YSIL has set up a strong product team with expertise across asset classes – Equity, Derivatives, Debt, Advisory/Fund Management, Commodities, Currency, as well as a dedicated team focusing on developing digital products. During the year, YSIL also significantly strengthened its research credentials and expanded its research coverage universe across fundamental, thematic and technical insights. Some key developments in YSIL:

1. **Broking:** Launch of Margin Trading Facility (MTF), an exchange-approved product, which offers leverage to clients to maximize their profit potential
2. **Portfolio Investment Advisory:** In FY 2018-19, YSIL offered the following advisory strategies:
 - ▲ Nifty+ (Moderate to Low Risk): Selectively investing in stocks/sectors belonging to Nifty50 index with an objective to generate higher alpha for investors
 - ▲ Wealth Enhancer (Low to Moderate Risk): Aimed at minimizing risk while generating regular income by investing across equity and debt instruments
 - ▲ PIA Multiplier (High Risk): Leverage product aimed at creating higher alpha through a structured model portfolio

Investor Education Initiative(s)

YES MasterClass: Multi-city events were organized to deliver investor education and investment-related insights to existing and potential YSIL customers. Subject-matter experts from reputed financial services institutions addressed the audience with the sole purpose of empowering them to make more informed investment decisions.

In FY 2018-19, YES MasterClass travelled to 6+ cities and conducted 20+ Branch and large format MasterClass events addressing over 500 financial enthusiasts and investors.

Investment Banking

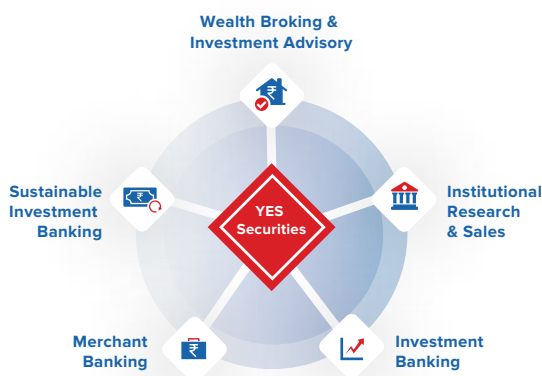
The Investment Banking team provides Mergers and Acquisition (M&A) and Capital Advisory services to large and mid-market corporate and financial sponsor clients

through key products such as Mergers & Acquisition Advisory and private equity/structured debt fund raising.

YSIL's highly-experienced teams offer expertise across a variety of sectors including Food and Agribusiness; Media and Entertainment; Consumer Markets; Infrastructure and Engineering, Procurement and Construction (EPC), Banking, Financial Services and Insurance (BFSI), Internet & E-commerce, Industrials and Logistics to corporate clients.

YSIL's Investment Banking closed 11 transactions during the year under review that include:

- ▲ Exclusive strategic & financial advisor to Kiran Energy for sale of 85 MW solar assets to Hinduja Group
- ▲ Exclusive strategic & financial advisor to SREI for sale of 60 MW wind assets to Renew Power
- ▲ Exclusive advisor for sale of Nitesh Hub Mall, Pune to ABIL Group
- ▲ Exclusive advisor for sale of Charosa Wineries Limited to Quintile Assets Limited and Grover Zampa Vineyards Limited
- ▲ Exclusive strategic & financial advisor for sale of India Property Online Private Limited to Quikr
- ▲ Exclusive advisor to mValu Technologies (FinTech arm of InCred Financial) for Series A raise from Elevor Equity
- ▲ Exclusive advisor to Seed Works for sale of cotton seed business to a leading buyout fund
- ▲ Exclusive advisor to Carnival Films for acquisition of multiplex screens of E-Square



- ▲ Exclusive advisor to Pan India Food Solutions (Everstone investee company) for sale of business to a leading packaged foods company
- ▲ Exclusive buy side advisor to Nayati Healthcare Group for its acquisition of OSL Healthcare (600-bed under-construction hospital in Gurugram and 75-bed operational hospital in South Delhi) and SLJ Hospital (200-bed hospital in North Delhi)
- ▲ Strategic advisor to Hansa Vision

Merchant Banking

YSIL's Merchant Banking practice has a strong focus on capital market activities offering a comprehensive bouquet of products including Initial Public Offerings (IPO), Qualified Institutional Placements (QIP), Rights Issues, Open Offer, Buyback, Delisting and other advisory services.

During FY 2018-19, the highly-experienced team successfully engaged with leading Indian companies as a fund-raising partner and trusted advisor for their capital market requirements. The team completed 11 marquee transactions in FY 2018-19 as below:

- ▲ Left Lead Book Running Lead Manager to the ₹4.8 billion IPO of Rail Vikas Nigam Limited
- ▲ Book Running Lead Manager to the ₹3.5 billion IPO of Garden Reach Shipbuilders & Engineers
- ▲ Manager to the ₹37.0 billion Open Offer of Dish TV – one of the largest open offers in FY 2018-19
- ▲ Manager to the ₹4.0 billion Open Offer of Olectra Greentech
- ▲ Sole Banker to the ₹5.5 billion Rights Issue by Hatsun Agro Product
- ▲ Advisor to TATA Power for Scheme of Arrangement involving sale of non-core defense division
- ▲ Advisor to Arvind Limited for Scheme of Arrangement involving demerger of engineering & branded apparel businesses
- ▲ Lead Manager to the Public Issue of NCDs of ₹110.0 billion by Dewan Housing Finance
- ▲ Lead Manager to the Public Issue of NCDs of ₹20.0 billion by Indiabulls Commercial Credit
- ▲ Left Lead Manager to the Public Issue of NCDs of ₹6.8 billion by Aadhar Housing Finance
- ▲ Lead Manager to the Public Issue of NCDs of ₹21.5 billion by Mahindra & Mahindra Financial Services

Institutional Sales & Trading

FY 2018-19 was a significant year as institutional brokerage rose 73% over FY 2017-18. The team successfully secured empanelment as broker across major Asset Management and Insurance companies. Besides, backed by improved client service, execution excellence and superior research, the team succeeded in reactivating transaction activity from valued institutional clients. YSIL has proactively engaged and ideated with clients' on capital market insights, corporate road shows and regular research inputs.

As on March 31, 2019, YSIL is empaneled with 31 institutions of which four were added in FY 2018-19.

Equity Research

YSIL's Research team was significantly strengthened in FY 2018-19. The highly-rated and award-winning team of Research Analysts has rich industry experience in serving diverse client segments and bring knowledge expertise across diverse industry sectors and asset classes.

The research coverage universe has expanded to 175 companies, accounting for more than 50% of India's listed market capitalization. The team is well-recognized for its ability to spot multi-baggers, contra-to-market ideas in large caps and deep corporate relationships. Besides fundamental capabilities, YSIL's analysts also have proven expertise in technical and derivative analysis.

YES Asset Management (India) Limited

YES Asset Management (India) Limited (YAMIL), a wholly owned subsidiary of YES BANK was incorporated on

April 21, 2017 and was granted approval by Securities and Exchange Board of India (SEBI) on July 3, 2018 to act as an Asset Management Company/Investment Manager to YES Mutual Fund.

YAMIL driven by the motto 'Experience our Expertise', seeks to build a strong mutual fund franchise to provide a complete suite of financial products for all its investors. The Board and the team at YES Asset Management comprises seasoned professionals with rich experience in financial services and mutual funds.

YAMIL pursues to combine its investors' and stakeholders' interests and bring out optimum solutions for its investors. Toward the same, it has currently focused on providing liquidity management solutions to corporates, HNIs and retail investors and has received SEBI's approval to launch three Mutual Fund's (Liquid, Overnight and Ultra Short-Term Fund).

Looking at the tightening liquidity scenario, YAMIL launched its first New Fund Offer of YES Liquid Fund in January 2019 to cater to the liquidity management requirements of its corporate/HNI relationships. In FY 2019-20, it expects to launch funds in equity and debt categories to offer wide ranging product suite to its investors in retail and institutional categories.

YES Trustee Limited

YES Trustee Limited (YTL) was incorporated on May 3, 2017 as a wholly owned subsidiary of YES BANK Limited (YBL). YTL is acting as a Trustee Company to YES Mutual Fund (YMF). It will provide trusteeship services to all the funds launched by YMF.

OVERVIEW OF FINANCIAL PERFORMANCE

Key Ratios:

Particulars	₹ in millions	
	FY 2018-19	FY 2017-18
Return on average equity (%)	6.5%	17.7%
Return on average assets (%)	0.5%	1.6%
EPS - Basic (₹) (not annualized) (FV ₹2)	7.45	18.43
Book value per share (₹) (FV ₹2)	116.2	111.8
Cost to income	43.5%	40.2%
Cost of fund	6.5%	6.0%
Capital Adequacy Ratio Basel III	16.5%	18.4%
Tier I	11.3%	13.2%
Tier II	5.2%	5.2%
Gross non-performing advances (NPA) % to Total Advances	3.22%	1.28%
Net NPA % to Total Advances	1.86%	0.64%
CASA ratio to % of total deposits	33.1%	36.5%

*As per Basel III, including profit, excluding proposed dividend.

The Bank has CASA ratio of 33.1%. The Bank shareholder returns with basic and diluted EPS ₹7.45 and ₹7.41 respectively, taking the book value up to ₹116.2.

Operating performance

Particulars	₹ in millions		
	FY 2018-19	FY 2017-18	% change
Interest income	296,247.47	202,674.22	46.2%
Interest expense	198,157.16	125,303.62	58.1%
Net-Interest Income	98,090.31	77,370.59	26.8%
Non-interest Income	45,901.53	52,238.34	-12.1%
Operating revenue	143,991.84	129,608.93	11.1%
Operating expenses	62,642.77	52,127.80	20.2%
Operating profit	81,349.07	77,481.13	5.0%
Provisions and contingencies	57,775.60	15,538.04	271.8%
Profit before tax	23,573.47	61,943.09	-61.9%
Provision for tax	6,370.68	19,697.46	-67.7%
Net profit	17,202.79	42,245.64	-59.3%

Net profit for FY 2018-19 decreased by 59.3% to ₹17,202.79 million as compared to ₹42,245.64 million for the FY 2017-18. Net Interest income (NII) of the Bank increased by 26.8% to ₹98,090.31 million during FY 2018-19 as compared to ₹77,370.59 million during FY 2017-18. The Net Interest Margin (NIM) was 3.2% in FY 2018-19. Non interest income consists of fee, trade income and gain on sale of securities. Non interest income decreased by 12.1% from ₹52,238.34 million in FY 2017-18 to ₹45,901.53 million in FY 2018-19.

Operating expenses increased by 20.2% from ₹52,127.80 million in FY 2017-18 to ₹62,642.77 million in FY 2018-19. Key drivers of operating expense growth were growing branch network of the bank and scaling up of retail asset and credit card business of the bank.

Provisions and contingencies (excluding provision for taxes) increased by ₹42,237.56 from ₹15,538.04 million in FY 2017-18 to ₹57,775.60 million in FY 2018-19.

Net interest income

The following table sets forth, for the periods indicated, the net interest income and spread analysis:

Particulars	₹ In million		
	FY 2018-19	FY 2017-18	% change
Interest income	296,247.47	202,674.22	46.2%
Interest expense	198,157.16	125,303.62	58.1%
Net Interest Income	98,090.31	77,370.59	26.8%
Net interest margin	3.2%	3.5%	-

Net Interest income (NII) of the Bank increased by ₹20,719.72 (26.8%) to ₹98,090.31 FY19 million during FY 2018-19 as compared to ₹77,370.59 FY18 million during FY 2017-18. Increase in NII is on the back of improvement in loan book & investment of the bank.

Non-Interest income:

₹ In million			
Particulars	FY 2018-19	FY 2017-18	% change
Commission, exchange and brokerage	36,361.45	41,379.64	(12.1%)
Profit on the sale of investments (net)	3,174.84	5,134.74	(38.2%)
Profit/(Loss) on sale of land, building and other assets	3.95	(12.89)	(130.6%)
Profit on exchange transactions (net)	1,570.30	2,315.71	(32.2%)
Miscellaneous income	4,790.99	3,421.14	40.0%
	45,901.53	52,238.34	(12.1%)

Non-interest income consist of commission and fee income, trade income, derivative and foreign exchange income, gain on sale of securities and other income. Non-interest income of the Bank decreased by 12.1% to ₹45,901.53 million during FY 2018-19 as compared to ₹52,238.34 million during FY 2017-18. Decrease in non-interest income is primarily due to decrease in commission and fees income and lower gain on revaluation / sale of investments.

Operating expenses / Non-interest expenses

The following table sets forth, for the periods indicated, the principal components of Operating expenses:

₹ in million			
Particulars	FY 2018-19	FY 2017-18	% change
Payments to and provisions for employees	24,697.65	21,889.20	12.8%
Depreciation on own property (including non-banking assets)	3,015.42	2,309.70	30.6%
Other administrative expenses	34,929.70	27,928.90	25.1%
Operating expenses	62,642.77	52,127.80	20.2%
Cost to income ratio	43.5%	40.2%	-

Non-interest expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Non-interest expenses increased by 20.2% from ₹52,127.80 million in FY 2017-18 to ₹62,642.77 million in FY 2018-19.

The Bank continued to make substantial investments in information technology and branch expansion to meet its growth targets. Operating expenses increased by 20.2% from ₹52,127.80 million in FY 2017-18 to ₹62,642.77 million in FY 2018-19. Employee costs is increased by 12.8% from ₹21,889.20 million in FY 2017-18 to ₹24,697.65 million in FY 2018-19. Also the number of employee has increased from 18,238 at March 31, 2018 to 21,136 at March 31, 2019. Employee costs accounted for 39.4% of our operating expenses for the FY 2018-19 compared to 42.0% for the FY 2017-18. Other administrative expenses also increased by 25.1% to ₹34,929.70 million in FY 2018-19 on account of the branch expansion to 1,120 as on March 31, 2019 from 1,100 as on March 31, 2018. The bank also scaled up investments in information technology, retail asset and credit card business which contributed to increase in operating expenses. Despite increasing investments in information technology and branches, the Bank maintained a satisfactory cost to income ratio of 43.5% for the FY 2018-19.

Provisions and contingencies (including provision for tax)

Provisions and contingencies increased by 82.1% from ₹35,235.49 million to ₹64,146.28 million. The key components of provisions are Provisions for NPAs of ₹25,669.54 million (FY 2017-18: ₹10,788.29 million), provision for taxation of ₹6,370.68 million (FY 2017-18 ₹19,697.46 million), and Provision for Standard Assets ₹22,514.06 million (FY 2017-18: ₹1,687.43 million) and Provision on investments of ₹6,824.89 million (FY 2017-18: ₹2,599.44 million).

FINANCIAL CONDITION

Assets

₹ in millions

Particulars	At March 31, 2019	At March 31, 2018	% change
Assets			
Cash and bank balances	268,895.12	247,343.66	8.7%
Cash and balances with RBI	107,977.37	114,257.49	-5.5%
Balances with banks and money at call and short notice	160,917.75	133,086.18	20.9%
Investments	895,220.33	683,989.39	30.9%
SLR investments*	553,611.12	488,860.83	13.2%
Non-SLR investments*	341,609.21	195,128.56	75.1%
Advances	2,414,996.02	2,035,338.63	18.7%
In India	2,226,297.76	1,891,273.01	17.7%
Outside India	188,698.27	144,065.62	31.0%
Fixed assets	8,169.96	8,323.92	-1.8%
Other assets	220,980.23	149,460.44	47.9%
Total	3,808,261.65	3,124,456.03	21.9%

* Includes investment in government securities, Banks in India are required to maintain a specified percentage, currently 19.00%, of their net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities.

Total assets of the Bank increased by 21.9% from ₹3,124,456.03 million at March 31, 2018 to ₹3,808,261.65 million at March 31, 2019, primarily due to 18.7% increase in loan book and 30.9% increase in investment of the bank.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and balances with RBI and other banks, including money at call and short notice. Cash and cash equivalents increased from ₹247,343.66 million at March 31, 2018 to ₹268,895.12 million at March 31, 2019 primarily due to an increase in balances with banks and money at call and short notice.

Investments

Total investments increased by 30.9% from ₹683,989.39 million at March 31, 2018 to ₹895,220.33 million at March 31, 2019 primarily due to an increase in investments in government securities by ₹64,750.29 million from

₹488,860.83 at March 31, 2018 to ₹553,611.12 at March 31, 2019.

Advances

During FY 2018-19 the Bank recorded a growth of 18.7% in its loan book with advances increasing to ₹2,414,996.02 million, primarily due to increase in term loan of the bank. Corporate Banking accounted for 65.6% of the Advances portfolio, while Retail & Business Banking (incl. MSME) constituted 34.4%.

Net advances of IFSC Banking Unit (IBU) in GIFT City increased from ₹144,065.62 million at March 31, 2018 to ₹188,698.27 million at March 31, 2019.

Fixed assets and other assets

Fixed assets (net block) decreased by 1.8% from ₹8,323.92 million at March 31, 2018 to ₹8,169.96 million at March 31, 2019. Other assets increased by 47.9% from ₹149,460.44 million at March 31, 2018 to ₹220,980.23 million at March 31, 2019.

FINANCIAL CONDITION

Liabilities

₹ in million

Particulars	At March 31, 2019	At March 31, 2018	% change
Liabilities			
Capital	4,630.07	4,605.93	0.5%
Reserves and Surplus	264,411.90	252,976.86	4.5%
Deposits	2,276,101.82	2,007,381.48	13.4%
Current deposit accounts	285,420.87	288,257.25	-1.0%
Saving Account	467,112.35	443,504.51	5.3%
CASA	752,533.22	731,761.76	2.8%
Term Deposit	1,523,568.60	1,275,619.72	19.4%
Borrowings	1,084,241.09	748,935.81	44.8%
Borrowing in India	673,595.98	461,878.31	45.8%
Borrowings outside India	410,645.11	287,057.50	43.1%
Other liabilities and provisions	178,876.79	110,555.95	61.8%
Total	3,808,261.65	3,124,456.03	21.9%

Equity Capital and Reserve and surplus

Share capital of the bank increased from ₹4,605.93 million as at March 31, 2018 to ₹4,630.07 million as at March 31, 2019. During the financial year ended March 31, 2019, the Bank has issued ₹12,065,794 shares pursuant to the exercise of employee stock options (ESOPs).

Reserves and Surplus increased from ₹252,976.86 million as at March 31, 2018 to ₹264,411.90 million as at March 31, 2019. Increase in Reserve and Surplus is primarily due to accretion of profits and increase in Share Premium account.

Deposits

Deposits increased by 13.4% from ₹2,007,381.48 million at March 31, 2018 to ₹2,276,101.82 million at March 31, 2019. Term deposits increased by 19.4% from ₹1,275,619.72 million at March 31, 2018 to ₹1,523,568.60 million at March 31, 2019, while savings account deposits increased by 5.3% from ₹443,504.51 million at March 31, 2018 to ₹467,112.35 million at March 31, 2019 and current account deposits decreased by 1.0% from ₹288,257.25 million at March 31, 2018 to ₹285,420.87 million at March 31, 2019. The Bank has seen an increase in the composition of granular deposits on account of an increasing branch franchise and customer base of the Bank. The current and savings account (CASA) deposits increased from ₹731,761.76 million at March 31, 2018 to ₹752,533.22 million at March 31, 2019. Total deposits at March 31, 2019

constituted 67.7% of the funding (i.e., deposits and borrowings). The Bank's CD ratio stood at 106.1% as at March 31, 2019.

Borrowings

Borrowings increased by 44.8% from ₹748,935.81 million at March 31, 2018 to ₹1,084,241.09 million at March 31, 2019. The increase in borrowing is primarily due to refinance and IBU borrowing. During the year the Bank has raised Non-convertible Redeemable Unsecured Basel III compliant Tier II Bonds of ₹30,420 million.

Other liabilities

Other liabilities increased by 61.8% from ₹110,555.95 million at March 31, 2018 to ₹178,876.79 million at March 31, 2019.

Regulatory capital

In line with the RBI circular on Basel III Capital Regulations, currently for computing capital requirement, YES BANK has adopted the standardized approach for credit risk, standardized duration approach for market risk and Basic indicator approach for operational risk. The Bank has also put in place a Board approved policy on Internal Capital Adequacy Assessment Process (ICAAP) which defines and sets processes to review and improve the techniques used for identification, measurement and assessment of all material risks and resultant capital requirements.

Capital Adequacy Ratios	At March 31, 2019	At March 31, 2018
Total capital ratio (CAR) out of the above	16.5%	18.4%
- CET1	8.4%	9.7%
- Tier I Capital	11.3%	13.2%
- Tier II Capital	5.2%	5.2%

As per Basel III norms, YES BANK had a capital adequacy ratio of 16.5% as at the end of March 31, 2019. As per Basel-III, Tier I capital ratio was 11.3% and the Tier II capital ratio was 5.2% as at March 31, 2019. During the year the Bank has raised Non-convertible Redeemable Unsecured Basel III compliant Tier II Bonds of ₹30,420 million.

Subsidiary Performance

YES BANK has three subsidiaries

Yes Securities (India) Limited (YSIL), YES Asset Management (India) Limited (YAMIL) and YES Trustee Limited (YTL). All the three subsidiaries are wholly owned subsidiaries of the bank. YSIL is the Bank's Broking and Investment Banking subsidiary. During the year, the Bank has infused capital of ₹990 million in YSIL (including 690 million on account of share premium). The Bank has also infused capital of ₹195 million in YAMC. YTL's principal activity is to act as trustee for funds (Yes Mutual Fund). YAMC has entered into investment management agreement with YTL to act as the investment manager for any funds to be launched by Yes Mutual fund.

During FY 2018-19 YSIL reported a profit of ₹51.99 million vis a vis a profit in FY 2017-18 of ₹133.01 million. Total revenue from operations of YSIL increased by 25.08% from 718.58 million during FY 2017-18 to 898.80 million in FY 2018-19.

Further, YAMC has made the loss of ₹161.00 million with total income of ₹38.60 million with and YTL has made loss of ₹1.11 million with total revenue from operations of ₹0.50 million.

Update on Ind AS implementation:

The Institute of Chartered Accountants of India has issued Ind AS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these accounting standards (Ind AS) for adoption. The RBI through press release RBI/2018-2019/146 DBR.BP.BC.No.29/21.07.001/2018-19 March 22, 2019 updated all scheduled commercial banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI

has been decided to defer the implementation of Ind AS till further notice.

As per RBI directions, YES BANK has taken following steps so far:

- ▲ YES BANK is submitting quarterly Proforma Ind AS financial statements to the RBI
- ▲ Formed Steering Committee for Ind AS implementation. The Steering Committee comprises Chief Financial Officer (CFO) (Chairman), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Information Officer (CIO) and members of the Senior Management from Financial Management, Risk Control and Treasury Operations. The Committee oversees the progress of Ind AS implementation in the Bank, and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Committee closely reviews progress of the implementation.
- ▲ Steering committee updates the Audit Committee and the Board on preparedness for migration to Ind AS on a quarterly basis.
- ▲ Further, YES BANK has procured IT solutions to automate Expected Credit Losses (ECL) computation and other accounting changes required in Ind AS in order to improve the robustness of the process.

YES BANK will continue to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation.

SWOT ANALYSIS

Strengths

The Fourth largest private sector bank of India today, YES BANK has demonstrated consistent performance since its inception in 2004 and continues to create value for its stakeholders.

Over the past three years, the Bank has grown its Total Assets at a CAGR of 32.1%, granular CASA Deposits by 33.9% and Net Interest Income by 29.0%.

The Bank has a strong and experienced leadership, competitive product offerings, and technology-driven operations and services across Corporate, MSME and Retail segments. The Bank's Owner-Partner-Manager model aids in its 21,000+ employees feeling encouraged to align closely with the organization's objectives backed by its brand ethos and strategic pillars, and helping to fulfill its vision and mission in the long-term. The Bank continues to attract and retain best in class talent as evident from Fourteenth Rank in LinkedIn list of 'Top 25 Companies where Indians want to work' for 2019.

YES BANK is leading the new-age payments space, ranked No. 1 as Remitter Bank by NPCI for IMPS in the peer group for FY 2018-19 and ranked No. 1 in merchant transactions for UPI with a market share of 35% in March 2019. In API Banking, the Bank has the most comprehensive offering with 12 services available across the platform which has over 850 customers across payments and collections. The Platform throughput increased 2.25x by value in FY 2018-19. The Bank commands nearly 10% market share of the individual inward remittance market share in CY18.

As a new generation Bank unencumbered by legacy systems, YES BANK has been able to invest in technology infrastructure and applications to enhance customer experience across all service delivery channels, including digital banking. Adoption of ART (Alliances, Relationships, Technology) approach for focused digital expansion along with Fintech Accelerator Program aids the Bank in remaining ahead of the competition.

Weaknesses

YES BANK's consistent track record of growth headlines its performance; however, the Bank is a relatively smaller player as yet in the Indian banking sector, indicating room for growth.

The Bank's Corporate advances constitute 65.6% of Total Advances vis-à-vis 34.4% for Retail & MSME. To mitigate this concentration, the Bank is rapidly increasing granularity of its advances book with additional focus on Retail Banking advances which grew at 62% Y-o-Y in FY 2018-19. On the liabilities side, the Bank has a CASA ratio of 33.1%. The Bank is continuing to invest in physical (Branches and Human Capital) as well as digital infrastructure and is adopting a Liabilities led approach to aggressively grow and granularise its Liability franchise.

Also, the Bank has a CET1 (Common Equity Tier) ratio of 8.4%, requiring it to re-balance its growth profile. However, the Bank has time and again demonstrated ability to raise different forms of capital to support its growth, and the Board has renewed its approval

(subject to Shareholder's approval) for a potential equity fundraise of up to \$1 billion in the Board Meeting held on April 26, 2019.

Opportunities

India is among of the fastest growing major economies in the world with the potential to become one of the top three global economies over the next decade. As a full service commercial bank with products across Corporate, MSME, Retail and Transaction Banking segments, among others and various markets, YES BANK is geared to benefit from this opportunity.

Moreover, Private sector capex has been low for the past several years in India leading to gradual increase in Capacity Utilization levels. Improvement in Private sector Capex levels is likely to create significant growth opportunities for the Financial Services sector in India.

In addition to Banking products and services, the Bank's three subsidiaries namely - YES Securities (India) Limited, YES Asset Management (India) Limited, YES Trustee Limited, enable more holistic wealth management service to the customers. The goal is to increase the amount of business the Bank does with existing customers by building on the relationships and cross-selling other banking and advisory products. The Bank expects that these initiatives will further diversify the sources of revenue.

YES BANK currently has 2.6% market share in advances and 1.7% in deposits among the Scheduled Commercial Banks in India. Leveraging of technology, relentless focus on service levels and improved reach will aid the Bank in acquiring higher market share.

Threats

The banking and financial sector is closely intertwined with the country's economic system and performance; key threat therefore would be a slowdown in the economic activity.

Fintech companies using technology to serve customers at lower costs may pose threat to the Bank. Thus, YES BANK is investing in the digital space by incorporating digital capabilities across a wide range of functions to effectively compete with the latest technological advancements.

The laws and regulations governing the banking sector in India, including those governing the products and services that the Bank provides or proposes to provide may change in the future. Any such changes may require the Bank to modify its business, which may adversely affect its financial performance.

Directors' Report

To the Members,

Your Directors are pleased to present the Fifteenth Annual Report on business and operations of the Bank together with the audited financial statements (consolidated as well as standalone) for the year ended March 31, 2019.

BUSINESS OVERVIEW AND OUTLOOK

The Bank showed continued acceleration and momentum in building a strong retail franchise with retail advances growing 62.3% Y-o-Y in Financial Year (FY) 2018-19 to now comprise 16.7% of total advances. Consequent to the Bank's retail focus, the branch network stood at 1,120 branches and 1,456 ATMs (including Bunch Note Acceptors) as on March 31, 2019. Digitization remains a key focus area for the Bank to further grow the Retail/MSME segments as well as the Transaction Banking business. The Bank already dominates the new age payments space with the highest market share in UPI P2M transactions with ~8x growth in Volumes in FY 2018-19.

Superior structuring capabilities in the Corporate Segment remains an area of Strength and the Bank will continue to leverage this in a calibrated manner as it embarks upon a compliance led culture with a prudent accounting policy.

STATE OF THE AFFAIRS OF THE BANK

FY 2018-19 was a significant year in the Bank's lifecycle when the Bank successfully navigated through leadership transition. The Reserve Bank of India (RBI) in September 2018, intimated that Mr. Rana Kapoor may remain the MD & CEO of the Bank till January 31, 2019. In addition, over the following months, there were changes in the Bank's Directorate including the Chairman of the Bank.

In response to this, the Board of Directors rose to the challenge and successfully completed the process of appointment of a new MD & CEO within the stipulated time provided by the RBI. The Directors whole heartedly welcome Mr. Ravneet Singh Gill as the new MD & CEO who has joined the Bank on March 1, 2019. The Board express its full faith that he will take the Bank to newer heights in this environment which is filled with numerous challenges as well as opportunities.

Further, the Board of Directors have also strengthened itself through, appointment of Mr. Brahm Dutt as the Chairman of the Bank, and appointment of four new Board

members who are doyens in their chosen field of expertise and have a rich experience in the Industry which can benefit the Bank: Mr. Uttam Prakash Agarwal (ex-President ICAI), Mr. Thai Salas Vijayan (Ex IRDAI & LIC Chairman), Mr. Maheswar Sahu (Ex Additional Chief Secretary, Govt. of Gujarat) and Mr. Anil Jaggia (Ex CIO, HDFC Bank).

Further, the Indian Partners viz. Mr. Rana Kapoor and Ms. Madhu Kapur, Ms. Shagun Kapur Gogia & Mr. Gaurav Kapur have *inter-se* agreed and jointly recommended the names of Mr. Ravindra Kumar Khanna and Ms. Shagun Kapur Gogia as their representative directors on the Board of the Bank. Accordingly, the Board of the Bank at its meeting held on April 26, 2019, approved the appointment of Mr. Ravinder Kumar Khanna and Ms. Shagun Kapur Gogia as Additional (Non-Executive Non-Independent) Indian Partners' Representative Directors, on the Board of the Bank w.e.f. April 26, 2019.

Most importantly, through this transition phase, the business of the Bank continued its momentum as evident from sustained growth in balance sheet with 18.7% Y-o-Y growth in advances during FY 2018-19 and 13.4% Y-o-Y growth in Deposits. Even Revenue and Profitability parameters showed resilience with 26.8% Y-o-Y growth in Net Interest Income and 5.0% Y-o-Y growth in Pre Provision Operating Profit.

Another important focus area during FY 2018-19 for the Bank was assuring the stakeholders regarding the Bank's Asset Quality. Steps towards this include:

1. No disclosure requirements under the RBI regulations on disclosures of divergences in asset classification and provisioning, pursuant to the conclusion of its FY 2017-18 RBI Annual Supervisory Process.
2. The Bank has proactively created contingency Provision of about ₹21,000 million during the year, pursuant to a review of the Bank's credit portfolio.
3. Providing proactive disclosures with respect to exposures to sensitive sectors and below investment grade assets as well as other details such as outstanding SMA 2 proportion to total advances.

YES BANK also successfully raised Non-Convertible, Redeemable, Unsecured, BASEL III compliant Tier II Bonds worth ₹30,420 million during Q2 FY 2018-19. At the time of issue, CARE had assigned a rating of 'CARE AAA' (Outlook: Stable) and India Ratings had assigned a rating of 'IND AA+' (Outlook: Stable). Currently, CARE has assigned a rating of 'CARE AA+' (Outlook: Credit watch

with developing implications) w.e.f. November 28, 2018 and India Ratings has assigned a rating of 'IND AA+' (Outlook: Negative) w.e.f. November 2, 2018.

On February 18, 2019, the Bank successfully completed the repurchase of the Medium-Term Note (MTN) Program amounting to USD 122,854,000 out of USD 150 million at a fixed price of 94.25% of the Face Value of the Notes. The MTN is listed on the London Stock Exchange International Securities Market (LSE ISM), the Singapore

Exchange Securities Trading Limited (SGX) and the India International Exchange IFSC at GIFT City, Gandhinagar.

Further information on the Business overview and outlook and State of the affairs of the Bank is discussed in detail in the Management Discussion & Analysis section of the Annual Report.

There is no change in the nature of business of the Bank for the year under review.

FINANCIAL PERFORMANCE (STANDALONE)

Particulars	₹ in million	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Deposits	2,276,101.82	2,007,381.48
Borrowings	1,084,241.09	748,935.81
Advances	2,414,996.02	2,035,338.63
Total Assets/Liabilities	3,808,261.65	3,124,456.03
Net Interest Income	98,090.31	77,370.59
Non-Interest Income	45,901.53	52,238.34
Operating profit	81,349.07	77,481.13
Provisions and Contingencies	57,775.60	15,538.04
Profit before Tax	23,573.47	61,943.09
Provision for taxes	6,370.68	19,697.46
Net Profit	17,202.79	42,245.64
Add: Surplus/(Deficit) brought forward from last period	103,753.02	79,333.92
Amount available for appropriation	120,955.80	121,579.55
Appropriations		
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	4,300.70	10,561.41
Capital Reserve	1,010.10	659.65
Investment Reserve	6.71	-
Investment Fluctuation Reserve	539.07	-
Dividend and Dividend Tax paid	7,503.64	6,605.48
Surplus carried to Balance Sheet	107,595.60	103,753.02
Key Performance Indicators		
Net Interest Margin	3.20%	3.50%
Return on Annual Average Assets	0.50%	1.60%
Return on Equity	6.53%	17.67%
Cost to Income Ratio	43.50%	40.22%

The Bank posted Net Revenues (Net Interest Income and other income) of ₹143,991.84 million and Net Profit of ₹17,202.79 million for FY 2018-19. The Net Revenues and Net Profit for FY 2017-18 was ₹129,608.93 million and ₹42,245.63 million respectively. Appropriations from

the Net Profit have been effected as per the table given above. Please refer to the section on Financial and Operating Performance in the Management Discussion and Analysis for a detailed analysis of financial data.

DIVIDEND

The Bank is rewarding its shareholders by way of consecutive cash dividends. The Board of Directors have recommended Dividend at a rate of ₹2 per equity share (100%) for the year ended March 31, 2019 subject to approval of the Shareholders at the 15th Annual General Meeting as against ₹2.70 per equity share (135%) of ₹2 each for the previous year ended March 31, 2018. This dividend shall be subject to tax on dividend to be paid by the Bank. The details about the Dividend Policy of the Bank have been provided in the Report on Corporate Governance forming part of this Annual Report.

TRANSFER TO RESERVES

As per requirement of RBI Regulations, the Bank has transferred the following amounts to various reserves during Financial Year ended March 31, 2019:

₹ in million	
Amount transferred to	Amount
Statutory Reserve	4,300.70
Capital Reserve	1,010.10
Investment Reserve	6.71
Investment Fluctuation Reserve	539.07

CAPITAL RAISING & CAPITAL ADEQUACY RATIO (CAR)

During the FY 2018-19, the Bank has issued 12,065,794 equity shares of ₹2 each pursuant to the exercise of stock options aggregating to ₹24.13 million.

Post allotment of aforesaid equity shares, the issued, subscribed and paid up share capital of the Bank stands at ₹4,630.07 million comprising of 2,315,033,039 equity shares of ₹2 each as on March 31, 2019.

The Bank has not issued any equity shares with differential voting rights during the year.

During the year, the Bank has raised Non-convertible Redeemable Unsecured Basel III compliant Tier II Bonds of ₹30,420 million.

The Bank is well capitalized with a Capital Adequacy Ratio of 16.5% as at March 31, 2019; of which Tier I Capital Ratio was 11.3% and Tier II Capital Ratio was 5.2%.

DEPOSITS

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

AWARDS AND RECOGNITIONS

During the year under review, the Bank was recognized in various ways/by various institutions and some of the key awards presented to the Bank are listed below:

- ▲ YES BANK won the 'Product Innovation of the Year' Award among 100+ financial services companies at International Finance Corporation's (IFC Washington's) Global SME Finance Awards.
- ▲ YES BANK became first Indian Bank to join 'Natural Capital Coalition' – a global multi-stakeholder collaboration, wherein the bank will integrate natural capital thinking into its strategy & operations.
- ▲ YES BANK was honored at the 20th edition of the coveted global award, The Asset Triple A Country Awards 2018 with 'Best New Bond India' for launching the largest debut international bond issuance, priced at the tightest spread over US treasuries by an Indian bank since 2008.
- ▲ YES BANK won the coveted 'Golden Peacock Award For Sustainability' – 2018.
- ▲ YES BANK was honored with the runner-up award at the 30th Qualtech Qimpro Award in the Continuous Improvement category, winning in the Qualtech Qimpro Awards for the third year in a row.
- ▲ YES BANK was felicitated by Business France and Indo-French Chamber of Commerce and Industry for 'Promoting & Facilitating Indo-French Bilateral Relations'.
- ▲ YES BANK won the SKOCH Editor's Choice Award for 'YES Rewardz' Loyalty Program at the 55th SKOCH Summit.
- ▲ YES BANK was adjudged Global winner in Payments at the 'Technology Project Awards-2018', a prestigious award recognizing innovation in financial technology instituted by The Banker, a London-based leading global financial publication promoted by The Financial Times (FT).
- ▲ YES BANK has the highest number of its facilities under environment management system ISO 14001:2015 certification ambit in the BFSI Sector, leading the BFSI sector globally with the highest number of ISO 14001 certified green facilities. This extraordinary global achievement by an Indian bank comes on the back of YES BANK's unmatched commitment to environmental sustainability.
- ▲ YES BANK became the only Indian bank to be selected in the Dow Jones Sustainability Indices (DJSI) Emerging Markets for the fourth year in a row (2015-2018) out of ~3,500 companies invited. The Bank was selected among 50 banks (from 267 banks) out of the 13 invited Indian banks, The Bank is the only

Indian Bank to make it to the index of 93 companies from 14 countries included in the DJSI Emerging Markets Index (EMI). The 2018 Index became effective as of September 24, 2018.

- ▲ YES BANK was adjudged winner for outstanding performance in Instant Payment Products (UPI + IMPS + BHIM + USSD), at the National Payments Excellence Awards (NPCI) 2017 hosted by National Payments Corporation of India (NPCI) in May 2018.
- ▲ YES BANK was selected in FTSE4Good Emerging Index, for the second consecutive year. FTSE Russell benchmarks ~USD 12.5 trillion in assets across 80 countries and 98% of the investable global market. YES BANK received an ESG Rating which is above the required index inclusion threshold for emerging economies (2.2) and developed markets (3.5) reiterating YBL's ESG leadership with its global peers. The Bank was selected among 87 banks from emerging markets including Itau Unibanco Holdings, Brazil & SBERBANK, Russia.
- ▲ YES BANK was recognized with three Gold Awards at the India Content Leadership Award- 2018 for compelling Marketing & Corporate Communication initiatives for its flagship Fintech start-up Business Innovation Program, YES FINTECH and for successfully running CFO Insights, a magazine read widely by Chief Financial Officers (CFOs).
- ▲ YES BANK was recognized with the 'Best Implementation of Digital Payments' award at the 4th edition of prestigious BW Businessworld Digital India Summit & Awards 2018.
- ▲ YES BANK was adjudged as the 'Best Bank in India' for Payments, Blockchain Initiative, API Initiative, Financial Supply chain Management Deal, Trade Finance Deal, Automation Application and Trade Finance at The Asian Banker Transaction Banking Awards 2018.
- ▲ YES BANK recognized with the Best Technology Bank of the Year, Best use of Data & Analytics for Business Outcome and the Most Customer-Centric Bank using Technology Awards in the Medium Size Banks category at the Indian Banks' Association (IBA) Banking Technology Innovation Awards.
- ▲ YES BANK applauded as Winner in 'Innovation in Data Science' at the 9th edition of Aegis Graham Bell Award 2018, for the industry-first project 'Yes EEE (Engage Enrich Excel)'.
- ▲ YES BANK has been selected by Global Finance magazine as Best Debt Bank in Asia Pacific for deals announced/completed in 2018

Accolades for Small & Medium Enterprises Financing:

- ▲ YES BANK was awarded 'SME Bank of the Year – India' in the Asian Banking & Finance Retail Banking Awards, Singapore in July 2018.
- ▲ YES BANK was adjudged as the 'Best Bank in India for Small and Medium-Sized Enterprises (SMEs)' at the Asiamoney Best Bank Awards 2018 and 2019.
- ▲ YES BANK was recognized as the 'Best Banking Solutions provider for SMEs' at Engineering Export Promotion Council (EEPC India) 48th Northern Region Awards for Export Excellence, Dehradun.

Multiple recognitions for CSR practices:

- ▲ YES BANK was adjudged as winner in 'Excellent CSR for Women Empowerment' category of Social Footprints Awards 2018 for YES BANK's innovative blended finance facility, aimed at promoting environmentally sustainable livelihood among women salt farmers in Gujarat.
- ▲ YES BANK was adjudged the winner in 'Safe Drinking Water' category of Social Footprints Awards 2018 for successful implementation of Water ATMs and Water Health Centers under Water and Livelihood project in India.
- ▲ YES BANK received 'CSR Excellence Award' for its first-of-its-kind MSME CSR project 'Say YES to Sustainable MSMEs in India' at the Apex India Awards.

EMPLOYEES STOCK OPTION SCHEME

The Bank has instituted Stock Option Schemes to enable its employees to participate in the Bank's future growth and financial success. The Bank provides its employees a platform for participating in important decision making and instilling long-term commitment towards future growth of the Bank by way of rewarding them through Stock Options. In terms of compensation and benefit policy of the Bank, employees are granted options as part of Annual Performance Review process based on their performance as well as to ensure their retention, and to hire the best talent for its senior management and key positions.

The Bank has from time to time granted Stock Options to its employees under the following Employee Stock Option Plans viz.,

- ▲ Joining Employee Stock Option Plan II (JESOP II);
- ▲ Joining Employee Stock Option Plan III (JESOP III);
- ▲ YBL ESOP (consisting of two sub-schemes JESOP IV / PESOP I);

- ▲ YBL JESOP V / PESOP II (Consisting of three sub schemes JESOP V / PESOP II / PESOP II -2010); and
- ▲ YBL Employee Stock Option Scheme, 2018 (YBL ESOS 2018) [Consisting of YBL Joining Employee Stock Option Plan, 2018 (JESOP 2018); YBL Performance Employee Stock Option Plan, 2018 (PESOP 2018); and YBL MD & CEO (New) Stock Option Plan, 2019 (MD & CEO Plan 2019).

JESOP II and JESOP III were in force for employees joining the Bank up to March 31, 2006 and March 31, 2007 respectively. Grants under PESOP II had been discontinued w.e.f. January 20, 2010. Grants under YBL ESOP and YBL JESOP V / PESOP II had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans.

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

In accordance with the various Employee Stock Option Plans/ Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time as per the below vesting schedule:

ESOP Plan	Exercise period
JESOP II	50% after 3 years and balance after 5 years from the Grant date
JESOP III	50% after 3 years and balance after 5 years from the Grant date
JESOP IV	50% after 3 years and balance after 5 years from the Grant date
JESOP V	50% after 3 years and balance after 5 years from the Grant date
PESOP I	25% after each year from the Grant date
PESOP II	30%, 30% & 40% after each year from the Grant date
PESOP II - 2010	30%, 30% & 40% each year, from end of 3 rd year from the Grant date
JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
PESOP 2018	30%, 30% & 40% each year, from end of 3 rd year from the Grant date
MD & CEO Plan 2019	20%, 30% & 50% each year, from end of 1 st year from the Grant date

Effective from June 13, 2018, all new options have been granted under the YBL ESOS 2018 (which *inter-alia* consists of JESOP 2018, PESOP 2018 and MD & CEO Plan 2019). The YBL ESOS 2018 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time. Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options.

No stock options were issued to the Directors of the Bank except Mr. Ravneet Singh Gill, MD & CEO of the Bank.

Various details including option movement during the year under aforementioned Schemes/ Plans, i.e. JESOP II, JESOP III, YBL ESOP, YBL JESOP V/PESOP II and YBL ESOS 2018 respectively are as follows:

	JESOP II	JESOP III	YBL ESOP		YBL JESOP V/PESOP II		YBL ESOP 2018		YBL ESOS 2018	
	JESOP II	JESOP III	YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP II - 2010	JESOP 2018	YBL PESOP 2018	YBL MD & CEO PLAN 2019
	July 24, 2006	July 24, 2006	August 29, 2007	August 29, 2007	September 18, 2008*	September 18, 2008*	September 18, 2008*	June 12, 2018	June 12, 2018	June 12, 2018
Date of Shareholders' Approval	July 24, 2006	July 24, 2006	August 29, 2007	August 29, 2007	September 18, 2008*	September 18, 2008*	September 18, 2008*	June 12, 2018	June 12, 2018	June 12, 2018
Total Number of Options approved	25,000,000	25,000,000	25,000,000	25,000,000	47,500,000	76,140,000	101,360,000	2,00,00,000	4,00,00,000	1,50,00,000
Total Number of options outstanding at the beginning of the period	-	-	6,250	247,375	15,956,850	2,276,650	43,733,310	-	-	-
Total No. of Options granted (during FY 2018-19)	-	-	-	-	522,500	-	100,000	417,500	265,000	5,000,000
The Pricing Formula	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1
Options Vested (during FY 2018-19)	-	-	-	-	2,530,751	-	5,499,330	-	-	-
Options Exercised (during FY 2018-19)	-	-	3,500	122,000	2,797,274	1,523,050	7,619,970	-	-	-
Total No. of shares arising as a result of exercise of option	-	-	3,500	122,000	2,797,274	1,523,050	7,619,970	-	-	-
Options lapsed/ forfeited (during FY 2018-19)	-	-	2,750	-	844,750	-	2,338,200	-	-	-
Total No. of Options outstanding at the end of the year	-	-	-	125,375	12,837,326	753,600	33,875,140	417,500	265,000	5,000,000
Total No. of Options exercisable at the end of the year	-	-	-	125,375	3,901,451	753,600	17,822,290	-	-	-
Variation of terms of Options	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 2	Refer Note 2	Refer Note 2
Money realized by exercise of Options (during FY 2018-19) (in ₹)	-	-	80,290	3,415,088	297,015,481	38,502,666	614,457,888	-	-	-
Total No. of Options in force	-	-	-	125,375	12,837,326	753,600	33,875,140	417,500	265,000	5,000,000
Total No. of Options granted to:										
(i) Senior Management Personnel (SMP)	-	-	-	-	Refer Sub-table 1	-	Refer Sub-table 1	Refer Sub-table 1	Refer Sub-table 1	Refer Sub-table 1
(ii) Any other employee who received a grant in any one year of options, amounting to 5% or more of options granted during that year	-	-	-	Refer Sub-table 2	-	-	-	-	Refer Sub-table 2	Refer Sub-table 2

	YBL ESOP		YBL JESOP V/PESOP II				YBL ESOS 2018		YBL MD & CEO PLAN 2019
	JESOP II	JESOP III	YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL JESOP II	YBL PESOP II - 2010	JESOP 2018	
(iii) Identified employees who are granted options, 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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Diluted Earnings Per Share (EPS) of the Bank after considering the effect of potential equity shares on account of exercise of Options	₹7.38/-								
Impact of the difference between the Intrinsic Value of the Options and the Fair Value of the Options on Profits and on EPS	The Bank has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2019 and March 31, 2018. Had the Bank adopted the Fair Value method (based on Black-Scholes pricing model), for pricing and accounting of options, net profit after tax would have been lower by ₹375.18 millions (Previous year: ₹414.98 millions), the basic earnings per share would have been ₹7.29 (Previous year: ₹18.24) per share instead of ₹7.45 (Previous year: ₹18.43) per share and diluted earnings per share would have been ₹7.22 (Previous year: ₹17.88) per share instead of ₹7.38 (Previous year: ₹18.06) per share.								
Weighted average price of the shares exercised during the year (in ₹)	-	-	22.94	-	106.18	25.28	80.64		
Weighted average fair values of the outstanding options (in ₹)	-	-	-	29.77	179.61	29.77	142.30		231.15
*The option under the scheme were increased subsequently from 1 crore to 3 crores and finally to 4.5 crores by the shareholders' approval dated September 3, 2009 and June 28, 2011 respectively. The Securities and Exchange Board of India (SEBI) has prescribed two methods to account for stock grants; namely (i) the intrinsic value method; (ii) the fair value method. The Bank adopts the intrinsic value method to account for the stock options it grants to the employees. The Bank also calculates the fair value of options at the time of grant, using Black-Scholes pricing model with the following assumptions:									
(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;								
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;								
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and								
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.								

	March 31, 2019
Risk free Interest Rate	6.29%-9.23%
Expected life	1.5 yrs - 7.5 yrs
Expected Volatility**	25.01%-48.72%
Expected dividends	1.50%

**Expected volatility is average volatility for expected life of the option.

Note 1: Being the closing price of the Equity Shares on the stock exchange with the highest trading volumes on the last working day prior to the date of grant.

Note 2: There is no variation in the terms of the options during the Financial Year ended March 31, 2019.

Note 3: The Shareholders of the Bank by way of Postal Ballot on January 17, 2015 had approved certain modifications in terms of YBL JESOP V / PESOP II Scheme (consisting of three sub-schemes JESOP V / PESOP II / PESOP II-2010).

Sub-table 1: Following are the total number of stock options that have been granted to Senior Management Personnel ("SMP") of the Bank and its subsidiaries during the financial year ended March 31, 2019:

Scheme	Name of Employees	Designation	Options granted	Grant Price
YBL PESOP 2018	Akash Prasad	Group President	100,000	384.35
YBL JESOP 2018	Amar Kirti Ambani	President	25,000	192.35
YBL JESOP 2018	Anand Deva Priya	President	30,000	384.35
YBL JESOP 2018	Ashish Joshi	Senior President	60,000	200.85
YBL JESOP 2018	Binoj Vasu	Senior President	50,000	200.85
PESOP II - 2010	Mahesh Rajaraman	Group President	50,000	313.05
PESOP II - 2010	Neeraj Dhawan	Senior Group President	50,000	313.05
JESOP V	Raj Ahuja	Senior Group President	400,000	313.05
YBL PESOP 2018	Rajiv Anand	Group President	150,000	384.35
YBL MD & CEO PLAN 2019	Ravneet Singh Gill	MD & CEO	5,000,000	231.15
YBL JESOP 2018	Sai Venkataramana Kosuri	Senior President	35,000	192.35
YBL PESOP 2018	Vikash Modi	Senior President	15,000	192.35
YBL JESOP 2018	Vikram Mago	President	25,000	200.85
YBL JESOP 2018	Vineet Dhar	Group President	100,000	192.35

Sub-table 2: Following are the details of the employees to whom 5% or more of options were granted during the financial year ended March 31, 2019.

Scheme	Name of Employees	Designation	Options granted	Grant Price
JESOP V	Raj Ahuja	Senior Group President	400,000	313.05
YBL PESOP 2018	Rajiv Anand	Group President	150,000	384.35
YBL MD & CEO PLAN 2019	Ravneet Singh Gill	MD & CEO	5,000,000	231.15

None of the employees were granted options equal to or exceeding 1% of the issued capital of the Bank at the time of grant during FY 2018-19.

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAS

In terms of the RBI circular no. DBR.BP.BC.No.32/ 21.04.018/2018-19 dated April 1, 2019, the banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period. Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for FY2018-19.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As on March 31, 2019, the Bank had three wholly-owned subsidiaries, YES Securities (India) Limited (**'YSIL'**), YES Asset Management (India) Limited (**'YAMIL'**) and YES Trustee Limited (**'YTL'**).

The Bank does not have any material subsidiary, associate and joint venture company.

Performance and Financial Position of Subsidiary Companies

YES Securities (India) Limited (YSIL)

YES Securities (India) Limited or YSIL, the Bank's wholly-owned capital markets intermediary, completed five years of operations in FY 2018-19. YSIL, today, offers retail, HNI and corporate customers a comprehensive range of products and services, encompassing Investment Banking (including a dedicated Sustainable Investment Banking practice), Merchant Banking, Wealth Broking, Advisory, Research and Institutional Equities services.

YSIL is a SEBI* registered Stock Broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Multi Commodity Exchange (MCX). YSIL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst.

**Securities and Exchange Board of India*

Wealth Broking

In FY 2018-19, YSIL's Wealth Broking business continued to enhance its product and service proposition to offer customers a more comprehensive investment management experience. YSIL offers a best-in-class 3-in-1 proposition in major cities across India. Its online trading platform (available on web and mobile app) witnessed consistent growth in client transaction volumes further complementing the growing engagement between high net-worth clients and the dedicated dealing desk.

In FY 2018-19, YSIL took significant strides in achieving the long-term vision of establishing itself as a research-backed and client-centric multi-asset wealth solutions provider. YSIL has set up a strong product team with expertise across asset classes – Equity, Derivatives, Debt, Advisory/Fund Management, Commodities, Currency, as well as a dedicated team focusing on developing digital products. During the year, YSIL also significantly strengthened its research credentials and expanded its research coverage universe across fundamental, thematic and technical insights.

Investment Banking

The Investment Banking team provides Mergers and Acquisition (M&A) and Capital Advisory services to large

and mid-market corporate and financial sponsor clients through key products such as Mergers & Acquisition Advisory and Private Equity fund-raising.

YSIL's highly-experienced teams offer expertise across a variety of sectors including Food and Agribusiness; Media and Entertainment; Consumer Markets; Infrastructure and Engineering, Procurement and Construction (EPC), Banking, Financial Services and Insurance (BFSI), Internet & E-commerce, Industrials and Logistics to corporate clients.

Merchant Banking: YSIL's Merchant Banking practice has a strong focus on capital market activities offering a comprehensive bouquet of products including Initial Public Offerings (IPO), Qualified Institutional Placements (QIP), Rights Issues, Open Offer, Buyback, Delisting and other advisory services. During FY 2018-19, the highly-experienced team successfully engaged with leading Indian companies as a fund-raising partner and trusted advisor for their capital market requirements.

Institutional Sales & Trading

FY 2018-19 was a significant year as institutional brokerage rose 57 % over FY 2017-18. The team successfully secured empanelment as broker across major Asset Management and Insurance companies. Besides, backed by improved client service, execution excellence and superior research, the team succeeded in reactivating transaction activity from valued institutional clients. YSIL has proactively engaged and ideated with clients' on capital market insights, corporate road shows and regular research inputs.

As on March 31, 2019, YSIL is empaneled with 30 institutions.

YES Trustee Limited (YTL) & YES Asset Management (India) Limited (Yamil)

YES BANK Limited has incorporated YES Asset Management (India) Limited on April 21, 2017 and YES Trustee Limited on May 3, 2017 as wholly owned subsidiaries for the mutual fund business.

YAMIL was granted an approval by Securities and Exchange Board of India ("SEBI") on July 3, 2018 to act as an Asset Management Company / Investment Manager to YES Mutual Fund.

YAMIL pursues to combine its investors' and stakeholders' interests and bring out the optimum solutions for its investors. Towards the same, YAMIL has launched its First Mutual Fund Scheme "YES Liquid Fund", NFO which was open from January 2, 2019 to January 16, 2019. The NFO has received extremely good response. Further, Average Assets Under Management (AAUM) of YES Mutual Fund for the period from January 16, 2019 to March 31, 2019 stood at ₹2000.12 crore.

YES Mutual Fund is presently focusing on tailoring liquidity management solutions for Corporates, HNI's and

Retail investors. It had further received SEBI's approval to launch an Ultra Short-Term Fund and YES Overnight Fund.

YTL is acting as a Trustee Company to YES Mutual Fund (YMF). It will provide trusteeship services to all the funds launched by YMF.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of Financial Statements of subsidiaries in Form AOC-1 forms part of the Annual Report. The Financials of the subsidiaries of the Bank are available on the website of the Bank (www.yesbank.in). Any member who is desirous to have a copy of the annual accounts of the subsidiaries may write to the Company Secretary of the Bank. Financials of Bank and its subsidiaries shall also be available for inspection by members or trustees of the holders of any debentures of the Bank at its Registered office.

RATINGS OF VARIOUS DEBT INSTRUMENTS

During the year under review, the Bank had raised ₹30,420 million by way of issue of rated listed unsecured Tier II Bonds in the nature of Debenture. This instrument has been rated by rating agencies namely Credit Analysis and Research ('CARE') and India Ratings & Research Pvt. Ltd. ('India Ratings'), A Fitch Group Company. The details of the instrument as well as the ratings are as below:

- ▲ The Bank issued 30,420 Rated Listed Non-Convertible Redeemable Unsecured Basel III Compliant Tier II bonds in the form of Debentures issued on Private Placement basis of Face Value of ₹10,00,000/- each fully paid up aggregating to ₹30,420 million on September 14, 2018 and the issue was rated by CARE and India Ratings. At the time of issue, CARE had assigned a rating of 'CARE AAA' (Outlook: Stable) and India Ratings had assigned a rating of 'IND AA+' (Outlook: Stable). Currently, CARE has assigned a rating of 'CARE AA+' (Outlook: Credit watch with developing implications) w.e.f. November 28, 2018 and India Ratings has assigned a rating of 'IND AA+' (Outlook: Negative) w.e.f. November 2, 2018.

The Credit Rating and change/revision in the Credit Ratings for various debt instruments issued by the Bank from time to time are provided in the Corporate Governance Report forming part of the Annual Report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointments/Re-appointments:

Mr. Ravneet Singh Gill

The Board of Directors of the Bank on January 24, 2019, basis recommendation of the Nomination & Remuneration

Committee (N&RC) appointed Mr. Ravneet Singh Gill as an Additional Director w.e.f. the date of his taking charge and to hold office up to the date of the ensuing Annual General Meeting (AGM). In the said meeting the Board also appointed Mr. Ravneet Singh Gill as the Managing Director and Chief Executive Officer (MD & CEO) of the Bank for a period of three (3) years commencing from the date of his taking charge as MD & CEO, on the terms & conditions as approved by the RBI and as may be further decided by the Board of Directors from time to time, subject to necessary sanctions and approvals from the RBI and the Shareholders of the Bank, as may be applicable. Mr. Ravneet Singh Gill took charge as MD & CEO of the Bank w.e.f. March 1, 2019. The Bank has received a notice in writing from a member proposing the candidature of Mr. Ravneet Singh Gill as MD & CEO on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Mr. Ravneet Singh Gill as MD & CEO, not liable to retire by rotation, to the Shareholders at the ensuing AGM.

Mr. Ajai Kumar

Mr. Ajai Kumar, Non-Executive Non-Independent Director, was appointed as an Interim MD & CEO of the Bank on January 29, 2019, to hold office as an Interim MD & CEO for a period from February 1, 2019 to February 28, 2019. The Bank had received approval from RBI on January 30, 2019 for appointment of Mr. Ajai Kumar as an Interim MD & CEO. Further, resolution for ratification of appointment and remuneration of Mr. Ajai Kumar as Interim MD & CEO is proposed to be passed at the ensuing AGM.

Dr. Pratima Sheorey

Dr. Pratima Sheorey was appointed as an Additional Director (Independent) on the Board of the Bank w.e.f. April 26, 2018 and was appointed as an Independent Director by the Shareholders at the 14th AGM of the Bank held on June 12, 2018.

Mr. Rentala Chandrashekhar

Mr. Rentala Chandrashekhar was appointed as an Additional Director (Independent) on the Board of the Bank w.e.f. April 26, 2018 and was appointed as an Independent Director by the Shareholders at the 14th AGM of the Bank held on June 12, 2018.

Mr. Uttam Prakash Agarwal

Mr. Uttam Prakash Agarwal was appointed as an Additional Director (Independent) on the Board of the Bank w.e.f. November 14, 2018, to hold office upto the date of ensuing AGM. The Bank has received a notice in writing from a member proposing the candidature of Mr. Uttam Prakash Agarwal as an Independent Director

on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Mr. Uttam Prakash Agarwal as an Independent Director, not liable to retire by rotation, to the Shareholders at the ensuing AGM.

Mr. Thai Salas Vijayan

Mr. Thai Salas Vijayan was appointed as an Additional Director (Independent) on the Board of the Bank w.e.f. December 3, 2018, to hold upto the date of ensuing AGM. The Bank has received a notice in writing from a member proposing the candidature of Mr. Thai Salas Vijayan as an Independent Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Mr. Thai Salas Vijayan as an Independent Director, not liable to retire by rotation, to the Shareholders at the ensuing AGM.

Mr. Maheswar Sahu

Mr. Maheswar Sahu was appointed as an Additional Director (Independent) on the Board of the Bank w.e.f. January 24, 2019, to hold upto the date of this AGM. The Bank has received a notice in writing from a member proposing the candidature of Mr. Maheswar Sahu as an Independent Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Mr. Maheswar Sahu as an Independent Director, not liable to retire by rotation, to the Shareholders at the ensuing AGM.

Mr. Anil Jaggia

Mr. Anil Jaggia was appointed as an Additional Director (Independent) on the Board of the Bank w.e.f. January 24, 2019, to hold office upto the date of this AGM. The Bank has received a notice in writing from a member proposing the candidature of Mr. Anil Jaggia as an Independent Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Mr. Anil Jaggia as an Independent Director, not liable to retire by rotation, to the Shareholders at the ensuing AGM.

Mr. Ravinder Kumar Khanna

Mr. Ravinder Kumar Khanna was appointed on the Board as Additional (Non-Executive Non-Independent), Indian Partners' Representative Director w.e.f. April 26, 2019. The Bank has received a notice in writing from a member proposing the candidature of Mr. Ravinder Kumar Khanna as a Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Mr. Ravinder Kumar Khanna as a Non-Executive Non-Independent Director, not liable to retire by rotation, to the Shareholders at the ensuing AGM.

Ms. Shagun Kapur Gogia

Ms. Shagun Kapur Gogia was appointed on the Board as Additional (Non-Executive Non-Independent), Indian Partners' Representative Director w.e.f. April 26, 2019. The Bank has received a notice in writing from a member proposing the candidature of Ms. Shagun Kapur Gogia as a Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Ms. Shagun Kapur Gogia as a Non-Executive Non-Independent Director, not liable to retire by rotation, to the Shareholders at the ensuing AGM.

Mr. Subhash Chander Kalia

Mr. Subhash Chander Kalia was appointed as an Additional Director (Non-Executive Non-Independent) on the Board of the Bank w.e.f. April 3, 2018 and was appointed as a Non-Executive Non-Independent Director by the Shareholders at the 14th AGM of the Bank held on June 12, 2018.

In terms of Section 152 of the Companies Act, 2013, Mr. Subhash Chander Kalia, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Lt. General (Dr.) Mukesh Sabharwal (Retd.)

The term of office of Lt. General (Dr.) Mukesh Sabharwal (Retd.), as an Independent Director, will expire on June 13, 2019. The Bank has received a notice in writing from a member proposing the candidature of Lt. General (Dr.) Mukesh Sabharwal (Retd.) as an Independent Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the re-appointment of Lt. General (Dr.) Mukesh Sabharwal (Retd.), as an Independent Director of the Bank for a second term upto April 24, 2020 (*i.e. completion of eight years in the Bank as permissible under the Banking Regulation Act, 1949*) or such other extended term as may be approved by RBI, subject to maximum 5 years of second term as provided under Companies Act, 2013, not liable to retire by rotation, to the Shareholders of the Bank at the ensuing AGM.

Mr. Brahm Dutt

The term of office of Mr. Brahm Dutt, as an Independent Director, will expire on June 13, 2019. The Board of Directors of the Bank, basis the recommendation of the N&RC and approval of RBI, had appointed Mr. Brahm Dutt, Independent Director, as Part-Time Chairman of the Bank. Mr. Brahm Dutt took charge as Part-Time Chairman of the Bank w.e.f. January 11, 2019 pursuant to approvals received from RBI and will hold the office as Part-Time Chairman of the Bank till January 10, 2022.

The Bank has received a notice in writing from a member proposing the candidature of Mr. Brahm Dutt as an Independent Director on the Board of the Bank. The N&RC and Board of Directors of the Bank have also recommended the re-appointment of Mr. Brahm Dutt, as an Independent Director of the Bank for the second term, not liable to retire by rotation, to the Shareholders of the Bank at the ensuing AGM and he shall hold office till January 10, 2022 (i.e. tenure as Part-Time Chairman of the Bank). A resolution for taking on record the RBI approval for appointment of Mr. Brahm Dutt and approval of remuneration as Part-Time Chairman of the Bank is proposed to the Shareholders at the ensuing AGM.

The relevant details including profiles of Mr. Ravneet Singh Gill, Mr. Ajai Kumar, Mr. Uttam Prakash Agarwal, Mr. Thai Salas Vijayan, Mr. Maheswar Sahu, Mr. Anil Jaggia, Mr. Ravinder Kumar Khanna, Ms. Shagun Kapur Gogia, Mr. Subhash Chander Kalita, Lt. General (Dr.) Mukesh Sabharwal (Retd.) and Mr. Brahm Dutt are included separately in the Notice of AGM and Report on Corporate Governance of the Bank forming part of the Annual Report.

Retirements/Cessations:

Mr. Saurabh Srivastava

In terms of RBI letter dated January 28, 2016 & March 28, 2018, Mr. Saurabh Srivastava completed his tenure as Director of the Bank on April 22, 2018.

Ms. Debjani Ghosh

Ms. Debjani Ghosh, Independent Director has resigned from the office of the Director w.e.f. April 26, 2018, due to her pre-occupation with full time engagement as President of National Association of Software and Services Companies (NASSCOM).

Mr. Ashok Chawla

Mr. Ashok Chawla, Non-Executive (Independent) Part-Time Chairman of the Bank, had resigned from the directorship of the Bank w.e.f. November 14, 2018, mentioning that during the current transition period, the Bank would need a Chairman who could devote more time and attention.

Mr. Vasant Gujarathi

Mr. Vasant Gujarathi, Independent Director, had resigned from the directorship of the Bank w.e.f. November 14, 2018, due to his personal commitments.

Mr. Rentala Chandrashekhar

Mr. Rentala Chandrashekhar, Independent Director of the Bank, resigned from the directorship of the Bank w.e.f. November 19, 2018, citing that he was deeply concerned about the recent developments at the Bank and dismayed

at the manner in which they have been dealt with and it is more distressing that all this should have been occurred during a critical transition period when tact, wisdom and purposeful, well-considered actions were called for and the resulting situation arising from recent development and their handling is not conducive to the discharge of his duties.

The Board places on record its sincere appreciation and thanks for the valuable contributions made by Mr. Ashok Chawla as Part-Time Chairman of the Bank and Mr. Saurabh Srivastava, Ms. Debjani Ghosh, Mr. Vasant Gujarathi and Mr. Rentala Chandrashekhar as Independent Directors of the Bank.

Mr. Rana Kapoor

Mr. Rana Kapoor demitted office as MD & CEO of the Bank w.e.f. the close of business hours on January 31, 2019 upon completion of RBI approved term.

The Board places on record its sincere appreciation and thanks for the valuable services and leadership of Mr. Rana Kapoor as MD & CEO of the Bank. The Bank over the last fourteen and half years of performance, has demonstrated track record of consistent delivery of business and financial outcomes across all critical parameters such as Capital Adequacy, Profitability, Steady Growth and look forward to carry on the excellent performance under the leadership of Mr. Ravneet Singh Gill.

Key Managerial Personnel

Mr. Ravneet Singh Gill, MD & CEO, Mr. Raj Ahuja, Group Chief Financial Officer and Mr. Shivanand R. Shettigar, Group Company Secretary of the Bank are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder.

During the year under review, Mr. Rana Kapoor demitted office as MD & CEO and Key Managerial Personnel of the Bank in terms of the provisions of Section 203 of the Companies Act, 2013 w.e.f. close of business hours on January 31, 2019. Further, Mr. Ajai Kumar was appointed as an Interim MD & CEO and Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013 for the period commencing from February 1, 2019 to February 28, 2019. Mr. Ravneet Singh Gill took charge as MD & CEO and Key Managerial Personnel of the Bank in terms of the provisions of Section 203 of the Companies Act, 2013 for a period of three (3) years, w.e.f. March 1, 2019 to February 28, 2022.

Mr. Raj Ahuja was appointed as the Group Chief Financial Officer and Key Managerial Personnel in terms of the

provisions of Section 203 of the Companies Act, 2013 w.e.f. April 3, 2018.

DECLARATION BY INDEPENDENT DIRECTORS

The Bank has received necessary declarations from each Independent Director under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), that they meet the criteria of independence laid down thereunder.

FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

The various programs were undertaken for familiarizing the Independent Directors which are disclosed in detail in the Corporate Governance Report, which forms part of the Annual Report.

NUMBER OF THE MEETINGS OF THE BOARD AND COMMITTEES

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time.

The Board met thirteen (13) times during the FY 2018-19 viz. on April 3, 2018, April 26, 2018, June 12, 2018, June 13, 2018, July 26, 2018, August 28, 2018, September 25, 2018, October 25, 2018, December 13, 2018, January 9, 2019, January 24, 2019, January 29, 2019 and March 14, 2019.

Additionally, several Committee meetings were held during the year including Audit Committee and Risk Monitoring Committee Meetings, which met nine (9) and six (6) times respectively during the year.

Detailed information on the meetings of the Board and its Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

COMMITTEES OF THE BOARD

The Bank has the following twelve (12) Board level Committees which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee;
2. Risk Monitoring Committee;
3. Board Credit Committee;
4. IT Strategy Committee;
5. Corporate Social Responsibility Committee;
6. Nomination and Remuneration Committee;
7. Capital Raising Committee;
8. Stakeholders Relationship Committee;
9. Fraud Monitoring Committee;
10. Service Excellence, Branding and Marketing Committee
11. Board Committee on Willful Defaulters & Non-operative Borrowers; and
12. Committee of Independent Directors.

The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are given in the report on Corporate Governance which forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Bank has established Corporate Social Responsibility ('CSR') Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure 1. The CSR Policy as recommended by the CSR Committee and as approved by Board is available on the website of the Bank and can be accessed at https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy.

PERFORMANCE EVALUATION OF THE BOARD

The Bank has laid down criteria for performance evaluation of the Directors including Chairman, MD & CEO, Board Level Committees and Board as a whole as well as the evaluation process for the same, in line with the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on the Board Evaluation dated January 5, 2017.

The performance evaluation of the members of the Board, the Board Level Committees and Board as a whole was carried out on April 25 and 26, 2019. Additional information on the Board Evaluation Process forms part of the Report on Corporate Governance.

CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Further, Corporate Governance is based on the principles of conducting the business with all integrity, fairness, and transparency with all the transactions, making the necessary disclosures and decisions, complying with the laws of the land, accountability and responsibility towards the stakeholders and commitment of conducting the business in an ethical manner. Your Board functions as trustees of the shareholders and seeks to ensure that the long-term economic value for its shareholders is achieved while balancing the interest of all the stakeholders. The Bank is committed to achieve the highest standards of Corporate Governance and also adheres to the Corporate Governance requirements set by the Regulators/applicable laws. In line with the foregoing, the Bank has adopted a Code of Corporate Governance which acts as a guide to the Bank and the Board on the best practices in the Corporate Governance.

A separate section on Corporate Governance standards followed by the Bank and the relevant disclosures, as stipulated under Listing Regulations, Companies Act, 2013 and rules made thereunder forms part of the Annual Report.

A Certificate from M/s. Mehta & Mehta, Practicing Company Secretaries, conforming compliance by the Bank to the conditions of Corporate Governance as stipulated under Listing Regulations, is annexed to the Report on Corporate Governance, which forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated in Listing Regulations is presented in a separate section forming part of the Annual Report.

VIGIL MECHANISM

In line with the provisions of Listing Regulations, the Companies Act, 2013 and the principles of good governance, the Bank has devised and implemented a vigil mechanism, in the form of 'Whistle-Blower Policy'. The policy devised is also aligned to the recommendations of Protected Disclosure Scheme for Private Sector and Foreign Banks, instituted by RBI. Detailed information on the Vigil Mechanism of the Bank is provided in the Report

on the Corporate Governance which forms part of the Annual Report.

RISK MANAGEMENT FRAMEWORK

The Bank's Enterprise Risk Management framework encompasses the following:

- ▲ **Risk Governance Framework:** The Bank has implemented an Enterprise Risk Governance framework to ensure non-silo based management and oversight of Risk. The Bank's Risk Management philosophy is guided by the Three Lines of Defence Principle:
 - ▲ **First Line of Defence – Business Management:** Each business segment of the Bank has risk ownership and is responsible for assessment and management of risks and has the overall responsibility of the management and mitigation of the Risk. The segments are required to implement appropriate procedures to fulfil their risk governance responsibilities.
 - ▲ **Second Line of Defence – Independent functions:** The Bank's independent oversight functions, such as, Risk Management, Compliance, Legal, Fraud Containment Unit, etc. set standards for management and oversight of risks, including compliance with applicable laws, regulatory requirements and policies.
 - ▲ Risk Management: Risk Management establishes policies and guidelines for risk assessment and management and contributes to controls and tools to manage, measure and mitigate risks faced by the Bank.
 - ▲ Compliance: The Compliance unit manages adherence to applicable laws and regulatory guidelines.
 - ▲ Legal: The Legal Risk Management division of the Bank undertakes various activities including advising business and operational management, acting as an independent control function while facilitating business, ensuring legal compliance, assisting the Board and Committees of the Board regarding analysis of laws and regulations, regulatory matters, disclosure matters, and potential risks and exposures on key litigation and transactional matters.
 - ▲ Finance: The Finance vertical provides key data and consultation to facilitate sound decisions in support of the

objectives of the Bank and the business verticals. Finance serves as an independent control function advising business management and establishing policies or processes to manage risk. It has overall responsibility for managing the Bank's balance sheet and the Bank's liquidity and interest rate risk.

- ▲ FCU & AML: The Fraud Containment Unit (FCU) is responsible for prevention and detection of internal and external frauds in the areas of Liabilities, Product and Support functions. The unit conducts transaction monitoring, forensic scrutiny, employee awareness trainings and vulnerability assessments to help achieve the said objective. The Anti Money Laundering Unit (AML) is responsible for identifying and reporting of suspicious transactions as prescribed under PMLA Act/Regulators, across all Business segments of the Bank. The AML unit is equipped with qualified, trained and experienced staff, which monitors various transactions undertaken by customers with a view to combat financial crimes and prevents misuse of the accounts for money laundering.

- ▲ **Third Line of Defence – Internal Audit:** The Bank's Internal Audit function independently reviews activities of the first two lines of defence based on a risk-based audit plan and methodology approved by the Audit Committee of the Board. Internal Audit provides independent assurance to the Board, the Audit Committee, senior management and regulators regarding the effectiveness of the Bank's governance and controls designed for risk mitigation framework.

The Board of Directors of the Bank has overall responsibility for Risk Management. The Board oversees the Bank's Risk and related control environment, reviews and approves the policies designed as part of overseeing the Risk Management practices. The Board ensures that comprehensive policies, systems and controls are in place to identify, monitor and manage material risks at a Bank-wide level, with clearly defined risk limits. The Board has laid down a Risk Appetite framework which articulates the quantum of risk the Bank is willing and able to assume in its exposures and business activities in pursuit of its strategic objectives and desired returns. The Board has also established policies governing risk management, such as, Enterprise Risk Management Policy, Reputation Risk Management Policy, Group Risk Management Policy, Credit Policy, ALM Policy, Model Risk & Governance Policy, etc.

The Board has put in place five Board level Committees which *inter-alia* pertain to Risk Management, viz. Risk Monitoring Committee (RMC), Audit Committee of the Board (ACB), Fraud Monitoring Committee (FMC), Board Committee on Wilful Defaulters & Non-Cooperative Borrowers (BCWD&NCB) and Board Credit Committee (BCC) to deal with risk management practices, policies, procedures and to have adequate oversight on the risks faced by the Bank.

The Board Committees have set up various Executive level committees for oversight over specific risks.

1. Management Credit Committee;
2. Executive Credit Committee;
3. Retail and Business Banking Credit Committee;
4. Model Assessment Committee;
5. Asset & Liability Management Committee;
6. Investment & Financial Markets Management Committee;
7. Operational Risk Management Committee;
8. Outsourcing Management Committee;
9. Business Continuity Management Committee;
10. Security Council;
11. Product Process Approval Committee;
12. Fraud & Suspicious Transaction Monitoring Committee;
13. Whistle-Blower Committee;
14. Enterprise Risk Management & Capital Management Committee;
15. Strategy Management Committee;
16. Reputation Risk Management Committee;
17. Standing Committee on Customer Service;
18. IT Steering Committee;
19. Steering Committee for IFRS (Ind AS);
20. RBS – Reporting Oversight Committee;
21. Apex Management Committee;
22. Staff Accountability Committee; and
23. Committee for Classification of Wilful Defaulters;

Risk events, potential threats, performance of the Bank vis-à-vis Risk Limits and Risk Appetite, Risk Profile dashboard covering key risk indicators, etc. are presented to these Committees, with Q-o-Q/Y-o-Y trends highlighted, with level and direction of risk. The Bank also conducts a detailed Internal Capital Adequacy Assessment Policy ('ICAAP') review exercise to identify its Risk universe, internal

controls and mitigation measures in place for the risks and capital requirements for identified risks. The ICAAP findings are presented to the RMC and the Board.

The Risk Management Unit is headed by the Chief Risk Officer ('CRO') who leads the Credit Risk (Underwriting) Unit, General Legal Counsel and other Risk Units. The CRO reports to the MD & CEO. The CRO is responsible to ensure an effective implementation of an enterprise wide risk management framework through various risk policies, processes, limits and controls that enable prompt risk identification, accurate risk measurement and effective risk mitigation. CRO is also responsible for risk compliance and monitoring as well as reviewing and presenting various risk reports, policies and dashboards to RMC and Board.

The Risk Management Unit in the Bank is designed to establish an effective Enterprise Risk Management (ERM) framework for the Bank to ensure sustainable business growth with stability and to promote a proactive approach in identification, assessment, management and reporting of risks associated with business. The Risk Management Unit enables the Bank to successfully meet its business and financial goals, while maintaining effective Board and management oversight on Risk and Control parameters.

- ▲ **Risk Appetite:** The Bank's Risk Appetite statement details the level of aggregate risk that the Bank is willing to undertake and successfully manage in pursuit of its business goals.
- ▲ **Risk Management:** The Bank follows a standardized methodology of identification and assessment of material risks, implementation of internal controls and mitigation measures, ongoing quality reporting and monitoring of risks.
- ▲ **Capital Management and Risk-based Capital allocation and performance measurement:** The Bank ensures deployment of capital within the organization based on risk tolerance, economic constraints, stakeholder needs and ensuring risk-based capital allocation and performance measurement.

LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Pursuant to Section 186(11) of the Companies Act, 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 requirements under Section 134(3) (g) of the Companies Act, 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no materially significant transactions with related parties including promoters, directors, key managerial personnel, subsidiaries or relatives of the Directors during the financial year which could lead to a potential conflict with the interest between the Bank and these parties. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Bank, nor were there any transactions with related parties, which were not on arm's length basis. Accordingly the disclosure in Form AOC-2 is not applicable to the Bank for the year under review. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

Prior omnibus approval for normal banking transactions is also obtained from the Audit Committee for the related party transactions which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee for their approval.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Bank and can be accessed at <https://www.yesbank.in/about-us/corporate-governance>.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013, a consolidated financial statement of the Bank along with its Subsidiaries i.e. YES Securities (India) Limited, YES Asset Management (India) Limited and YES Trustee Limited has been prepared in the same form and manner as that of the Bank which shall be laid before the ensuing AGM along with the laying of the Bank's Financial Statement under Section 129(2) i.e. Standalone Financial Statement of the Bank.

Further, pursuant to the provisions of Accounting Standard (AS-21), the Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Bank along with its subsidiaries for the year ended March 31, 2019 forms part of the Annual Report.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Bank has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. The Bank also ensures that internal controls are operating effectively.

AUDITORS

A. Statutory Auditors

The Members of the Bank at the 12th Annual General Meeting held on June 7, 2016, have approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Bank for a period of four (4) years, subject to the approval of the RBI, to hold office from the conclusion of the 12th AGM till the conclusion of 16th AGM of the Bank to be held in the year 2020, subject to ratification of their appointment by the Members at every AGM. Accordingly, RBI had approved the appointment of M/s. B S R & Co., LLP as Statutory Auditors of the Bank for FY 2018-19, which was also ratified by the Shareholders in the 14th AGM of the Bank held on June 12, 2018.

Further, in terms of Companies (Amendment) Act, 2017 notified w.e.f May 7, 2018, the requirement of Section 139(1) of Companies Act, 2013 stands omitted and the ratification of appointment of the Statutory Auditor at every AGM is not required. The Bank has received the consent from the Auditors and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Bank in terms of the provisions of the Companies Act, 2013 and rules made thereunder. Accordingly, the Board of Directors has recommended to RBI to seek its approval for appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Bank for FY 2019-20.

The Report given by the Auditors on the financial statements of the Bank forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no offence of fraud was reported by the Auditors of the Bank.

B. Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Bank had appointed M/s. BNP & Associates, Practising Company Secretaries, Mumbai as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2018-19. The Bank provided

all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2018-19 is annexed to this report as *Annexure 2*. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated in Listing Regulations, the Business Responsibility Report describing the initiatives undertaken by the Bank from environmental, social and governance perspective is attached as part of the Annual Report.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE BANK

There are no material changes and commitments, affecting the financial position of the Bank which has occurred between the end of the financial year of the Bank i.e. March 31, 2019 and the date of the Directors' Report i.e. April 26, 2019.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Bank's operation in future.

MAINTENANCE OF COST RECORDS

Being a Banking Company, the Bank is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

POLICY ON APPOINTMENT OF DIRECTORS

The Board of Directors of the Bank had formulated and adopted policy on "Board Diversity and Fit & Proper Criteria and Succession Planning" for appointment of Directors on the Board of the Bank and succession planning. The details of the same have been included in the Report on Corporate Governance forming part of this Annual Report.

REMUNERATION POLICY

The Board of Directors of the Bank had formulated and adopted policies for Remuneration of Employees of the Bank, Remuneration of Directors including the Chairman of the Bank. The details of the same are made available on the Bank's website and can be accessed at <https://www.yesbank.in/about-us/corporate-governance>.

EMPLOYEE REMUNERATION

- (a) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Companies Act, 2013, the same is open for inspection during working hours at the Registered Office of the Bank. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Bank.
- (b) The ratio of the remuneration of each Director and employees of the Bank as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as *Annexure 3*.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Bank as at March 31, 2019 is uploaded on the website of the Bank and can be accessed at <https://www.yesbank.in/about-us/corporate-governance>

DISCLOSURES UNDER GREEN INFRA BONDS

Since the maiden issuance by YES BANK in 2015, Green Bonds have emerged as an innovative instrument for financing climate action in India. Over the past few years, the Green Bonds market has witnessed a steady growth and is currently pegged at over USD 7 billion. Green Bonds are playing a pivotal role towards the realization of ambitious climate targets that India pledged during Paris Accord in 2015. Driven by its commitment of mobilizing USD 5 billion towards climate action by 2020, as taken during Paris Accord, YES BANK has issued three green bonds:

- ▲ **February 2015:** YES BANK issued India's first-ever Green Infrastructure Bonds, raising an amount of ₹10 billion. This 10 year tenor bond witnessed strong demand from leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds.
- ▲ **August 2015:** YES BANK raised ₹3.15 billion through the issue of Green Infrastructure Bonds to International Finance Corporation on a private placement basis which is the first investment by IFC in an Emerging Markets Green Bond issue in the world. The bonds are for a tenor of 10 years. IFC paid for the placement using the proceeds from the first

Green Masala Bond program that aimed at raising capital in the offshore rupee market.

- ▲ **December 2016:** YES BANK has raised ₹3.30 billion, through an issue of a 7-year Green Infrastructure Bonds to FMO, the Dutch Development Bank, on a private placement basis. This is FMO's first Investment in a Green Bond issued by a bank in India. FMO has paid for placement using the proceeds from their sustainability bonds issued in 2015.

The amount raised is used to finance Green Infrastructure Projects as per 'Eligible Projects' outlined in the Bank's internal guidelines that are in adherence to the Green Bond Principles (GBP). For FY 2018-19, KPMG, India has provided limited assurance on conformity of the use of proceeds, process for evaluation and selection of projects, management of proceeds and reporting of these green bonds to GBP 2018.

The GBP are voluntary guidelines, developed by the International Capital Markets Association, for broad use by the market that recommend transparency and disclosure, and promote integrity in the development of the Green Bond market. They have the following four key components and the bank showcases its adoption below:

- ▲ **Use of Proceeds:** The proceeds raised by the Bank are used in eligible project categories and include all projects funded in whole, or in part, in the fields of renewable and clean energy projects including Wind, Solar, Biomass, Hydropower and other such projects.
- ▲ **Process for Evaluation and Selection of Eligible Projects:** The Bank's process starts with interactions with potential borrowers to understand the overall aspects of the project and a preliminary confirmation against the eligibility criteria. The evaluation moves to risk assessment for confirmation of the eligibility, post which further documentation is sought as per the Bank's policies and GBP.
- ▲ **Management of Proceeds:** Green Bond allocations to eligible projects are tracked by the Bank through an MIS based asset tagging system on a quarterly basis. The unallocated proceeds, if any, are placed in liquid instruments (Government Securities) on a quarterly basis.
- ▲ **Reporting:** The Bank's communication to investors through an annual update includes:
 - ▲ List of projects to which proceeds have been allocated to, with brief description including amounts disbursed, installed capacity
 - ▲ Summary of Environment and Social (E&S) impacts associated with projects, if any
 - ▲ Information on investment of unallocated proceeds in liquid instruments.

Impacts

Through financing solar and wind power plants, these bonds strengthen India's energy security while reducing fossil fuel dependency. These bonds have been crucial in financing climate change mitigation with avoidance of emissions of CO₂, SO₂, NO_x and other air pollutants associated with fossil fuel based energy generation. Estimated CO₂ emission reductions are shared along with project details.

List of projects against which green bonds proceeds have been allocated as on March 31, 2019 is provided below:

Proceeds Utilization* Against Bond Issuance Size of ₹1,000 crore (February 2015)					
Sr. No.	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on March 31, 2018)	Estimated** positive E&S impacts - CO ₂ Emissions Reduction (tCO ₂ / yr)	Known significant negative E&S Impacts
1.	Maharashtra	31.5 MW wind energy project	121.32	45,756.09	None
2.	Andhra Pradesh	10 MW solar energy project	18.61	18,183.66	None
3.	Madhya Pradesh	12 MW wind energy project	38.48	28,595.27	None
4.	Karnataka	50 MW solar energy project	94.44	92,588.38	None
5.	Telangana	15 MW solar energy project	9.29	20,945.42	None
6.	Telangana	143 MW solar energy project	189.74	2,90,199.61	None
7.	Telangana	15 MW solar energy project	9.29	11,731.39	None
8.	Telangana	42 MW solar energy project	11.42	73,189.22	None
9.	Rajasthan & Andhra Pradesh	155.4 MW wind energy project	231.20	2,55,734.57	None
10.	Karnataka	40 MW solar energy project	174.92	83,390.64	None
11.	Karnataka	21 MW wind energy project	56.57	48,758.60	None
12.	Karnataka	32 MW solar energy project	48.25	63,870.91	None

Proceeds Utilization* Against Bond Issuance Size of ₹315 crore (August 2015)					
Sr. No.	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on March 31, 2018)	Estimated** positive E&S impacts - CO ₂ Emissions Reduction (tCO ₂ / yr)	Known significant negative E&S Impacts
1.	Andhra Pradesh	100 MW wind energy project	141.92	2,83,508.64	None
2.	Telangana	30 MW solar energy project	89.72	52,278.02	None
3.	Telangana	5 MW solar energy project	22.63	9,625.44	None

Proceeds Utilization* Against Bond Issuance Size of ₹330 crore (December 2016)					
Sr. No.	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on March 31, 2018)	Estimated** positive E&S impacts - CO ₂ Emissions Reduction (tCO ₂ / yr)	Known significant negative E&S Impacts
1.	Gujarat	30 MW wind energy project	40.87	68,677.52	None
2.	Telangana	50 MW solar energy project	6.32	89,207.46	None
3.	Karnataka	40 MW solar energy project	188.60	85,215.53	None
4.	Rajasthan	300 MW solar energy project	111.85	4,52,391.80	None

* For the Green Bonds which have been fully utilized, the cumulative lending to the projects which received the proceeds may exceed the issuance size. The temporary unallocated proceeds (₹60.73 crore of ₹315 crore bond issued in August 2015) have been invested in Government Securities and will be allocated back to eligible projects, when available.

The assurance statement issued by KPMG India is attached as Annexure 4 to this report.

STATUTORY DISCLOSURES

The disclosures required to be made under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on the conservation of energy, technology absorption and Foreign exchange earnings and outgo are given as under:

A. Conservation of Energy

I. The steps taken or impact on Conservation of Energy:

- ▲ The Bank has been migrating to LED lighting in phases. In present financial year we have replaced 3,592 LED units, which has a potential for annual energy saving of 20775 KW.
- ▲ The Bank is in the process of phasing out air-conditioning systems that use ozone depleting coolants, and in the current reporting cycle, the Bank has initiated the process to replace all air conditioners that are more than 10 years old with energy efficient (star rated) systems that use eco-friendly coolants and thus reducing its environmental footprint, which have potential saving of 10 to 15%.
- ▲ The Bank is in the process of phasing out signage's using tube light with energy efficient LED's which have potential saving of 20 to 25%. In FY 2018-19, it has been completed across 70 branches.
- ▲ YES BANK's energy management initiatives aim at reducing 15-20% energy consumption by introducing Energy management system, wherein the consumption will be monitored centrally using IOT.

II. The steps taken by the Bank for utilizing alternate sources of Energy:

The Bank has explored the potential of using alternate sources of energy by installing 5KVA solar system at Pune Bundh garden branch, which has a potential to generate 7,200 units annually. The Bank would continue to explore alternative sources of energy in future.

III. The Capital Investment on Energy Conservation Equipments:

₹4.25 crore spent in present financial year (including AC retrofitting, LED projects at corporate offices and branch locations).

B. Technology Absorption

I. Efforts Toward Technology Absorption

The advancements in Information Technology (IT) have led to accelerated development in newer technologies, resulting in higher demand for digital solutions to create alternative banking products that deliver customer delight through a better service delivery framework.

Since inception, YES BANK has been at the forefront of technology innovation and adoption, and will

continue its focus on technology. This will enable the Bank to build a more secure, resilient, and seamless way of interacting and transacting for customers. It will further enforce YES BANK's endeavors to become a technology-led company in the business of banking.

During FY 2018-19, several new initiatives were completed successfully, as well as systems were upgraded to latest versions to support the growing needs of the Bank. The key Bank-wide projects completed during FY 2018-19 were:

- ▲ **Right Sourcing Strategy:** YES BANK has successfully completed transitions of end user support system, IT infrastructure management and business applications maintenance, among others from total outsourcing arrangements to Right Sourcing operating model. This ensures retention of key technology talent and a more efficient use of partners. The model further entails the use of an optimal mix of insourcing and outsourcing of staff to support and maintain technology assets like business applications and IT infrastructure.
- ▲ **YES RAPIDO:** A truly modern, state-of-the-art, lightweight workflow management solution having a front-end using Progressive Web Apps has been implemented by the Bank. YES Rapido leverages the power of Cloud technologies like Kubernetes and micro services to make it one of the most agile and resilient technologies. This digital fabric solution will form a critical part of furthering digital transformation objectives of the Bank.
- ▲ **YES Genie:** YES Genie leverages the Bank's efforts to consolidate all its customer data (transactions, interactions, behavioral attributes and so on) into the Big Data platform (Hadoop) as its Enterprise Datawarehouse technology. It is built using Modern Application Architecture (the state-of-the-art Microservice Mesh using Kubernetes, Google Istio and other latest technologies). As part of the first phase, YES Genie creates a single view of customers across all banking relationships with the Bank. Besides, it allows a call-to-action enablement to assist in delivering services.
- ▲ **YES Bank Datathon:** This initiative was launched with the objective of crowd sourcing ideas and building an augmented data science team for the Bank. In the first edition, YES BANK received an overwhelming response with over 6,000+ applications. The key outcomes of the YES BANK Datathon's 1st edition were building data model prototypes for the Next Best Action model (predicting a next-best action of a

customer/user), Anomaly Detection model for POS terminals to ensure higher service levels and a Recommender model for relationship managers to identify priority customers.

- ▲ **API Banking:** YES BANK has undertaken tremendous strides to ensure a stronger connect with its customers and ensure a seamless experience when transacting and/or making basic enquiries. Currently, it has more than 850 customers on API Banking and this continues to grow at a healthy pace. This product offering is replicated across Enterprise Technology Architecture and the 'API first' philosophy is being imbibed by the Bank's technology team.
- ▲ **Awards and accolades:** YES BANK won multiple awards at the prestigious Indian Banking Association Awards 2018-19. The Bank was recognized with – Best use of customer-centric technology solution – Winner and Best Technology Bank 2019– Runner Up, Best use of Analytics for superior Customer experience – Runner Up.

II. Proposed New Projects

There is a healthy pipeline of exciting new initiatives, which will enable YES BANK to deliver world-class digital-first customer service in both assisted and self-help mode.

- ▲ **Retail Net-Banking Upgrade:** A completely refreshed and revamped Retail Net-Banking platform is expected to be launched in FY 2019-20. It has been built using state-of-

the-art security framework and using concepts of the Modern Technology architecture.

- ▲ **Unified Cash Management and Corporate Net-Banking Solution:** A robust Core System is critical to deliver a superior experience to all corporate customers of the Bank. The new solution will enable a more seamless and straight-through processed environment for customer transactions. This will also be scaled up further to ensure it promptly address the needs and expectations of customers and growing business volumes.
- ▲ **Extend Cloud-based Use cases:** YES BANK plans to use Cloud infrastructure extensively to ensure that the power of FutureTech is being leveraged across all levels of the Bank.
- ▲ **Apollo Program for OSD Technology Transformation:** With a vision to position YES BANK as the most 'Customer Centric' Bank in the services segment and focus on the end-to-end Operation Service Delivery (OSD) Technology Transformation with Digital Solutions, Apollo Program will review, re-imagine and/or re-engineer every Business Operations Process, keeping customer at the forefront with the objective to ensure Efficiency, Productivity, Risk Management, and Compliance.
- ▲ **Rural Retail Banking:** The Bank is building a comprehensive mobility platform to create a paperless banking experience and become the preferred banker in rural and semi-urban geographies.

III. In case of Imported Technology (imported during the last three years reckoned from the beginning of the financial year):

Details of Technology Imported	Year of Import	Whether the Technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Software Tokens for Net Banking, Implementation fees and delivery of Branded Software Tokens	Aug-14	Yes	NA
Enabling Radius licenses for 10,000 concurrent users (SMS/E-mail, OATH, software tokens) on existing setup	Sep-15	Yes	NA
Master Data Management licenses	Nov-15	Yes	NA
Cisco Wan Stack for Branch WAN Architecture Revamp	Dec-16	Yes	NA
Upgradation of Murex 2.11 to Murex 3.1	Apr-17	Yes	NA
Cisco CUCM	Dec-17	Yes	NA
Portwise Nexus Hybrid Access Gateway	Oct-18	Yes	NA
Palo Alto Firewall	Feb-19	Yes	NA

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

During the year ended March 31, 2019 the Bank earned ₹37,897.01 million and spent ₹17,396.41 million in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirm that the Bank has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its Committees and the General Meetings.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Bank has Zero tolerance towards any act 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 regarding Prevention & Prohibition of Sexual Harassment at Workplace provides for protection against sexual harassment of women at workplace and for prevention and redressal of complaints. Also, in its endeavor to spread awareness on the aforementioned policy and ensure compliance by all the executives, the Bank has implemented a plan of action to disseminate the information and train the executives on the policy under the ambit of 'Gender Respect and Commitment to Equality' (GRACE) program.

The Bank has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).

Number of cases filed and their disposal under Section 22 of the POSH is as follows:

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	1
Number of complaints filed during the financial year	10
Number of complaints pending as on the end of the financial year	2

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit of the Bank for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

Your Directors take this opportunity to express their deep and sincere gratitude to the customers of the Bank for their confidence and patronage, as well as to the Reserve Bank of India, Securities and Exchange Board of India, Government of India, and other Regulatory Authorities for their cooperation, support and guidance. Your Directors would like to express a deep sense of appreciation for the commitment shown by the employees in supporting the Bank in its continued robust performance on all fronts. In the Bank's 15th year of Institutional Excellence, the Directors would also like to thank all our valued partners, vendors and stakeholders who have played a significant role in the continued Business Excellence achieved by the Bank. Your Directors would also like to thank the employees for their continued support as the Bank evolves as the "Professionals' Bank of India" with a vision of "BUILDING INDIA'S FINEST QUALITY LARGE BANK OF THE WORLD IN INDIA".

For and on behalf of the Board of Directors

Ravneet Singh Gill
Managing Director & CEO
(DIN: 00091746)

Brahm Dutt
Chairman
(DIN: 05308908)

Place: Mumbai
Date: April 26, 2019

Annexure 1

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the Bank's CSR policy, including overview of projects or programs proposed to be undertaken:

YES BANK'S CSR POLICY:

Through its Responsible Banking ethos, YES BANK has created stakeholder value by implementing projects based on unique models with scalable and sustainable impact. Guided by its Corporate Social Responsibility ('CSR') policy, the bank has delivered internal and external positive socio-environmental impact by following a unique approach.

APPROACH TOWARDS CSR:

- ▲ **Promote** principles of social responsibility and inclusive growth through awareness and support.
- ▲ **Invest** in socially and environmentally responsible activities to create positive impact.
- ▲ **Engage** with stakeholders to further the sustainability agenda of the bank and empower with knowledge.
- ▲ **Collaborate** with likeminded institutions and forge partnerships towards addressing the needs of the stakeholders.
- ▲ **Monitor** the environmental and social investment of YES BANK Limited through structured governance and transparent performance indicators.

YES BANK'S FOCUS AREAS UNDER CSR:

1. Livelihood security and enhancement
 - (a) Education
 - (b) Skills/Employability training
2. Healthcare and Social welfare
3. Environment Sustainability
4. Arts/Sports and culture

OVERVIEW OF ACTIVITIES:

In line with the CSR policy and in accordance of Schedule VII of the Companies Act, 2013, YES BANK undertook unique initiatives during the year which positively impacted lives. The initiatives for FY 2018-19 focused on scaling up projects that were launched over the last four years with an objective to deliver on exponential impact and creating sustainable CSR models.

The key initiatives undertaken during the year were in-line with YBL's CSR focus areas under umbrella program **#YES S.T.A.R.T (Sustainable Transformation through Alliances, Relationships and Technology)** including:

- ▲ Livelihood and Water Security
- ▲ Employability and Entrepreneurship
- ▲ Environmental Sustainability
- ▲ Media for Social Change
- ▲ Awareness and educating communities on environmental and social topics of national importance

WEB-LINK TO THE CSR POLICY:

https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy

COMPOSITION OF CSR COMMITTEE:

YES BANK recognizes its responsibility towards the society and environment in which it operates and accordingly has worked towards CSR and Sustainable Development focusing on the 'Triple Bottom line' ethos since its inception. YES BANK's Corporate Social Responsibility Committee monitors the CSR activities on a periodic basis.

Members of the committee as on March 31, 2019:

1. Mr. Maheswar Sahu (Chairman), Independent Director
2. Dr. Pratima Sheorey, Independent Director
3. Lt. General (Dr.) Mukesh Sabharwal (Retd.), Independent Director
4. Mr. Ravneet Singh Gill, Managing Director & CEO

AVERAGE NET PROFIT BEFORE TAX OF THE BANK FOR LAST THREE FINANCIAL YEARS:

₹4,779 crore

PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS ABOVE)

₹95.58 crore

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- (a) Total amount to be spent for the financial year: ₹95.58 crore.
The Bank has spent ₹53.78 crore during FY 2018-19.
- (b) Amount unspent, if any: ₹41.8 crore.

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs		Cumulative Expenditure upto the Reporting Period	Amount spent: Direct or through implementing agency
					(1) Direct expenditure on projects or programs	(2) Overheads		
1	Livelihood and Water Security	<ul style="list-style-type: none"> Making available safe drinking water Livelihood enhancement 	Delhi/NCR, Goa, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan	25 crore	12.40 crore	47.01 crore	Direct Ammada Trust YES Foundation National Skills Foundation of India	
2	Say YES to Sustainable MSMEs in India	<ul style="list-style-type: none"> Ensuring environment sustainability Promoting preventive healthcare Promoting education 	Delhi/NCR, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, West Bengal	12 crore	1.90 crore	12.29 crore	Direct Foundation for MSME Clusters (FMC) Entrepreneurship Development Institute of India (EDII)	
3	YES STEADY (Skills Training and Enhancement for Development of Youth)	<ul style="list-style-type: none"> Promoting education Livelihood enhancement Ensuring environment sustainability 	Pan India	13 crore	4.83 crore	19.57 crore	Direct Deshpande Foundation Villgro Innovations Foundation	
4	Natural Capital Initiatives	<ul style="list-style-type: none"> Ensuring environment sustainability Promoting education 	Pan India	21 crore	3.16 crore	9.18 crore	Direct	
5	YES COMMUNITY	<ul style="list-style-type: none"> Promoting education Livelihood enhancement Promoting preventive healthcare Ensuring environment sustainability 	Pan India	7 crore	6.99 crore	30.58 crore	Direct	
6	Support to YES Foundation	<ul style="list-style-type: none"> Promoting education 	Pan India	22 crore	22 crore	58.56 crore	YES Foundation	
7	Expenditure on administrative over-heads				2.50 crore	8.69 crore		
TOTAL					53.78 crore	185.88 crore		

REASONS FOR NOT SPENDING PRESCRIBED CSR EXPENDITURE:

YES BANK, since inception has believed in creating sustained value for its stakeholders, through its Responsible Banking ethos, by contributing positively towards economic development and socio-environmental objectives, thus playing a larger role in India's overall sustainable development.

In FY 2018-19, with focus on impact & scale, the Bank extensively worked on areas of national importance like Livelihood & Water Security, Employability & Entrepreneurship, Environmental Sustainability and Social Transformation. During the year, the Bank provided access to safe and clean drinking water, to over 1 lakh lives every day, across 330 railway stations, in partnership with Indian Railways. This project, since FY 2015-16, has provided access to safe and clean drinking water, to nearly 10 crore lives covering 1,005 railway stations, across Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, Goa and Karnataka.

Given the criticality of MSME sector to India's low carbon & sustainable economy, the Bank, since 2015, extensively worked with 49,000 MSMEs, sensitizing on energy efficiency, circular economy, financial literacy and occupational health & safety of its workers. The Bank's unique flagship community engagement initiative was instrumental in building awareness and educating communities on financial literacy, Swachh Bharat, environmental conservation and creation of a carbon sink, through tree plantations, touching 2 lakh lives through the year.

As a public trust institution, being a responsible corporate citizen is a part of YES BANK's core values. With prudence it has been undertaking and investing in CSR projects that are unique, scalable and sustainable, continuously

delivering large scale impact. This year the Bank has spent ₹53.78 crore (1.13%) vis-a-vis budgeted ₹95.58 crore (2%), towards CSR as per Section 135 of the Companies Act, 2013. While the percentage is lower than stipulated 2%, the actual amount spent this fiscal is higher than last year. The reason for lower spend, is on account of factors like milestone based project level disbursement to implementation partners, delays in permissions from local authorities and implementation schedule in this fiscal, inability of implementation partners to scale-up projects and quality of proposals to undertake new projects. YES BANK is highly committed to India's developmental agenda and over the next year, is determined towards increasing its CSR impact, supplemented by its continued focus on sustainable development and responsible banking. The Bank would explore additional projects to take into account any shortfall that may occur.

YES BANK stands committed to sustainable finance, which it believes is the key to unlocking India's potential and achieving sustainable developmental goals. In-line with its COP 21 commitment, the Bank has been successful in mobilizing USD 5 billion from 2015 to 2019, towards projects with positive environmental impact through lending, investing and raising capital. The Bank continued to work extensively on livelihood enhancement programs especially with women, and financial inclusion with migrants. While these interventions are beyond the ambit of the definition of CSR under the Companies Act, 2013, it has supplemented the Bank's objectives, in creating a larger and deeper socio-economic impact.

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

Ravneet Singh Gill
Managing Director & CEO
(DIN: 00091746)

Maheswar Sahu
Chairman – CSR Committee
(DIN: 00034051)

Annexure 2

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2019

[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,
YES BANK Limited
YES Bank Tower, IFC – II,
15th Floor, Senapati Bapat Marg,
Elphinstone (W),
Mumbai 400 013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **YES BANK Limited** (hereinafter called the '**Bank**') for the audit period covering the financial year ended on March 31, 2019 (the '**audit period**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate actions and practices/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also 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 March 31, 2019, 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 March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 (the '**Act**') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI LODR**');
5. The following other laws as applicable specifically to the Bank:
- (a) The Banking Regulation Act, 1949 and Notifications and Circulars issued by the Reserve Bank of India ('**RBI**') from time to time ('**BR Act**');
 - (b) Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992;
 - (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - (d) Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to the Board meetings and General Meetings.

During the audit period, the Bank has complied with the provisions of the Act, Rules, Regulations, Standards and Circulars as mentioned above.

During the period under review, provisions of the following Act/Regulations though specified in the format of Form No. MR-3, were not applicable to the Bank:

1. The following Regulations and Guidelines prescribed under the SEBI Act:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
2. 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.

We further report that -

- ▲ The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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, SEBI LODR and BR Act.
- ▲ Adequate notice is given to all the Directors to schedule the Board Meetings (including Board Level Committees), Agenda and detailed notes on the

- (d) Pursuant to the approval granted by Reserve Bank of India, the Bank has exercised Call Option and redeemed following Bonds/Debentures as given below:

Instrument Type	Allotment Date	Maturity Date	Amount	Tenor (Years)	Call Option Date
Tier I perpetual Bonds	June 27, 2008	Perpetual	\$ 5 million	Perpetual	June 27, 2018
Upper Tier II Bonds	June 27, 2008	June 27, 2023	\$ 80 million	15	June 27, 2018
Upper Tier II Bonds	September 15, 2008	September 15, 2023	₹200 Crores	15	September 15, 2018
Tier I Perpetual Bond	February 21, 2009	Perpetual	₹115 crores	Perpetual	February 21, 2019
Tier I Perpetual Bond	March 9, 2009	Perpetual	₹39 crores	Perpetual	March 9, 2019

- (e) The Bank has received SEBI approval to launch Mutual fund business dated July 4, 2018. This approval is subsequent to the Reserve Bank of India's approval granted to YES BANK to sponsor a Mutual Fund followed by SEBI's in-principle approval received subsequently.
- (f) The Bank has raised USD 400 million through syndicated loan facility dated September 11, 2018,

Agenda were sent at least seven days in advance, 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.

- ▲ Decisions at the meetings of the Board of Directors of the Bank (including the Board Level Committees), and the resolutions approved through circulations, were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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

We further report that during the audit period:

- (a) The Bank has Allotted 1,20,65,794 (One Crore Twenty Lakh Sixty Five Thousand Seven Hundred and Ninety Four) equity shares of face value of ₹2/- each under ESOP Schemes of the Bank.
- (b) The Bank has received final license from SEBI for Custodian of Securities Business.
- (c) The Bank has received certain Show Cause Notices from the Regulatory Authorities which have been placed before the Audit Committee and/or the Board of Directors of the Bank and suitable actions have been taken by the Bank in compliance with the relevant Regulations.

borrowed out of the Bank's IFSC Banking Unit (IBU) in Gujarat International Finance Tec City (GIFT) and will be utilized to support the IBU's growing business.

- (g) The Capital Raising Committee of the Board of the Bank ("CRC") on September 11, 2018, has approved the issue of rated, listed, non-convertible, redeemable, unsecured, BASEL III compliant Tier II

Bonds, in the nature of debentures (“Debentures”), of ₹10,00,000 each aggregating upto ₹3,000 crore with Green Shoe Option of upto ₹1,000 crore. Out of that 30,420 Debentures of ₹10,00,000 each aggregating to ₹3,042 crore were issued and allotted by the CRC on September 17, 2018, on private placement basis.

- (h) The Bank has changed its registered office from 9th floor, Nehru Centre, Discovery of India, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to YES BANK Tower, IFC-II, 15th floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013.
- (i) The Bank on November 14, 2018 has acquired 29,28,504 equity shares, constituting 12.99% of the paid up share capital, having nominal value of ₹10/- per share of Valecha Engineering Ltd, pursuant to invocation of pledge on the said equity shares subsequent to default by promoters group companies in credit facility provided by Bank.
- (j) The Bank on November 14, 2018 has acquired 2,30,655 equity shares constituting 30.00% of the paid up share capital, having nominal value of ₹100/- per share of Valecha Engineering Ltd, pursuant to invocation of pledge on the said equity shares subsequent to default by promoters group companies in credit facility provided by Bank.
- (k) Name of Registrar and Transfer Agent of the Bank has been changed from ‘Karvy Computershare Private Limited’ to ‘Karvy Fintech Private Limited’ with effect from November 17, 2018.
- (l) The Bank on November 27, 2018 has acquired 4,591,123 equity shares resulting in aggregating holding of 4,655,884 equity shares (including initial holding of 64,761 equity shares of Dion Global Solutions Limited held by YES Bank before acquisition of 4,591,123 equity shares) constituting 14.446971 % of the paid up share capital, having nominal value of ₹10 per share of Dion Global Solutions Limited, pursuant to invocation of pledge on the said equity shares subsequent to default by Dion Global Solutions Ltd. In repayment of credit facilities sanctioned by Bank.
- (m) The Bank has sold 12,337,323 equity shares having nominal value of ₹10/- each constituting 2.1279% of the paid up share capital of Fortis Healthcare Limited, in various tranches last being on December 18, 2018 resulting into a change in holding of the Bank by more than 2% of the total shareholding of FHL, from last disclosure made by the Bank on March 15, 2018.
- (n) The Bank on January 3, 2019 has sold 29,28,504 equity shares of Valecha Engineering Limited having nominal value of ₹10/- each, constituting 12.99824% of the paid up share capital of VEL, resulting into a change in holding of the Bank by more than 2% of total shareholding of VEL, from the last disclosure made by the Bank on November 14, 2018. Post sale of above mentioned shares in VEL stands NIL as on January 3, 2019.
- (o) The Bank on January 3, 2019 has sold 2,30,655 equity shares constituting 30.00% of the paid up share capital, having nominal value of ₹100/- per share of Valecha Investment Pvt Ltd, which were acquired by way of invocation of pledge by the Bank. Post sale of above mentioned shares in VIPL stands NIL as on January 3, 2019.
- (p) RBI under Section 47A of the Banking Regulation Act, 1949 has levied aggregate penalty of ₹10 million on Bank for non-compliance of Regulatory directions observed during assessment of implementation of SWIFT – related operational controls dated March 5, 2019.
- (q) The unclaimed dividend amount due to be transferred to the Investor Education and Protection Fund (IEPF) during the year ended March 31, 2019 has been transferred without any delay.

For **BNP & Associates**
Company Secretaries

B. Narasimhan
Partner
FCS 1303 /CP No. 10440

Place: Mumbai
Date: April 26, 2019

ANNEXURE I TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To,
The Members,
YES Bank Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to YES BANK Limited (the 'Bank') is the responsibility of the management of the Bank. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Bank. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Bank, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **BNP & Associates**
Company Secretaries

B. Narasimhan
Partner
FCS 1303 /CP No. 10440

Place: Mumbai
Date: April 26, 2019

Annexure 3

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure														
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	<table border="1"> <tr><td>Ashok Chawla</td><td>2.4x</td></tr> <tr><td>Ex-MD & CEO – Rana Kapoor</td><td>82.8x</td></tr> <tr><td>Brahm Dutt</td><td>0.9x</td></tr> <tr><td>Interim MD & CEO – Ajai Kumar</td><td>1.9x</td></tr> <tr><td>MD & CEO – Ravneet Singh Gill</td><td>7.6x</td></tr> </table>	Ashok Chawla	2.4x	Ex-MD & CEO – Rana Kapoor	82.8x	Brahm Dutt	0.9x	Interim MD & CEO – Ajai Kumar	1.9x	MD & CEO – Ravneet Singh Gill	7.6x				
Ashok Chawla	2.4x															
Ex-MD & CEO – Rana Kapoor	82.8x															
Brahm Dutt	0.9x															
Interim MD & CEO – Ajai Kumar	1.9x															
MD & CEO – Ravneet Singh Gill	7.6x															
II.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	<table border="1"> <tr><td>Ex-MD & CEO – Rana Kapoor</td><td>21.2%</td></tr> <tr><td>MD & CEO – Ravneet Singh Gill</td><td>-</td></tr> <tr><td>Interim MD & CEO – Ajai Kumar</td><td>-</td></tr> <tr><td>CFO</td><td>-</td></tr> <tr><td>CS</td><td>30.9%</td></tr> <tr><td>Ashok Chawla</td><td>-</td></tr> <tr><td>Brahm Dutt</td><td>-</td></tr> </table> <p>Notes:</p> <ol style="list-style-type: none"> Mr. Rana Kapoor demitted the office as MD & CEO w.e.f. the close of business hours on January 31, 2019 Mr. Ajai Kumar was appointed as Interim MD & CEO w.e.f. February 1, 2019 to February 28, 2019. Mr. Ravneet Singh Gill took charge as MD & CEO w.e.f. March 1, 2019. Mr. Ashok Chawla resigned w.e.f. November 14, 2018. Mr. Brahm Dutt was appointed as Part-Time Chairman w.e.f. January 11, 2019. 	Ex-MD & CEO – Rana Kapoor	21.2%	MD & CEO – Ravneet Singh Gill	-	Interim MD & CEO – Ajai Kumar	-	CFO	-	CS	30.9%	Ashok Chawla	-	Brahm Dutt	-
Ex-MD & CEO – Rana Kapoor	21.2%															
MD & CEO – Ravneet Singh Gill	-															
Interim MD & CEO – Ajai Kumar	-															
CFO	-															
CS	30.9%															
Ashok Chawla	-															
Brahm Dutt	-															
III.	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 12.00%. The calculation of % Increase in Median Re-muneration is done based on comparable employees. For this we have excluded employees who were not eligible for any increment.														
IV.	The number of permanent employees on the rolls of the Bank	There were 21,136 employees as on March 31, 2019														
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable to the Bank, as all the employees are considered under Managerial role.														
VI.	Affirmation that the remuneration is as per the remuneration policy of the Bank	Yes, it is confirmed														

General Notes (GN):

- Remuneration in case of MD & CEO is regulated by RBI guidelines.
- The Remuneration for the purpose of this table is defined as “Total Cost to the Company (TCC) + Approved Bonus” for all the employees except for KMPs. KMPs remuneration is as per the Form 16 (on an annualized basis) excluding stock option exercised since it does not form part of TCC.

Annexure 4

INDEPENDENT ASSURANCE STATEMENT

To the management of Yes Bank Limited, Yes Bank Tower, IFC-2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, Maharashtra, India.

Introduction

We were engaged by Yes Bank Limited ('Issuer') to undertake an independent review of the following green bonds:

- ▲ Green bonds for ₹1,000 crores issued on February 24, 2015
- ▲ Green bonds for ₹315 crores issued on August 5, 2015
- ▲ Green bonds for ₹330 crores issued on December 29, 2016

Our responsibility was to provide "limited assurance" on conformance of the aforementioned green bonds and the accompanying report "Disclosures under Green Infrastructure Bonds for FY 2018-19" with the Green Bond Principles, 2018 during the Financial Year (FY) 2018-19.

Assurance Standards

We conducted our engagement in accordance with requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

Assurance scope and level of assurance

Our scope of assurance included information on material aspects of the green bond during FY 2018-19 based on the requirements of the Green Bond Principles, 2018 as listed below:

- ▲ Use of Proceeds
- ▲ Process for Project Evaluation and Selection
- ▲ Management of Proceeds
- ▲ Reporting

Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- ▲ Determine which, if any, recommendations should be implemented
- ▲ Provide assurance on information outside the defined reporting boundary and period
- ▲ Verify the Issuer's financial statements & economic performance
- ▲ Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer.

Work undertaken

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

- ▲ Checked the Issuer's Green Bond Framework that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- ▲ Read sections of the bond disclosure documentation that also support the objects of the green bond issue, investment areas for proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- ▲ Conducted interviews with management and key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework have been implemented in the financial year;

- ▲ Checked the list of projects to which bond proceeds have been allocated in the financial year and their conformance with the criteria defined in the Green Bond Framework;
- ▲ Confirmed the amount of bond proceeds allocated to projects at the end of each quarter in the financial year through examination of a sample set of statements of accounts;
- ▲ Confirmed the allocation of unallocated bond proceeds to government securities at the end of each quarter in the financial year through examination of statements from Financial Management team of the Issuer; and
- ▲ Recalculated estimated carbon dioxide emission reductions from projects using information collected by the Issuer.

Conclusions

The following conclusion is based on the work performed and evidence obtained and the scope of our assurance engagement described above.

Nothing has come to our attention to suggest that the green bonds issued in February 2015, August 2015 and December 2016 by the Issuer and the accompanying report “Disclosures under Green Infrastructure Bonds for FY 2018-19” are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2018, during FY 2018-19.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. We apply ISQC 1 and comply with the

applicable independence and other ethical requirements of the IESBA code.

Management’s responsibility

The Management of the Issuer is responsible for ensuring that the Issuer and their green bond complies with the requirements of the Green Bond Principles, 2018. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

Our responsibility

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard.

This assurance report is made solely to Issuer in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Issuer those matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Issuer for any purpose or in any context. Any party other than Issuer who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Issuer for our work, for this independent limited assurance report, or for the conclusions we have reached.

Manpreet Singh
Director
KPMG India

Date: April 10, 2019

Report on Corporate Governance

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2019)

I BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

YES BANK is committed to set the highest standards of Corporate Governance right from its inception and has benchmarked with the best in class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for 'creating and sharing value'. It is a key element to carry on business operations based on the underlying principles of integrity, ethics, transparency and accountability. Over the last few decades, Corporate Governance is getting ever increasing importance across the globe. Systems and policies are required to be upgraded regularly, to meet the challenges of rapid growth in a dynamic business environment.

YES BANK believes that there is a need to view Corporate Governance as more than just regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholder's wealth maximization. Therefore, the Bank is articulating a multi-stakeholder model (including shareholder value) of accountability that will manage the symbolic relationship between the various stakeholders. This approach will be central to the day-to-day functioning of the Bank and in implementation of its business strategy.

As part of the Bank's objective and commitment to implement best practices in Corporate Governance, it is felt necessary to codify these Governance Practices of the Bank by framing the 'Code for Corporate Governance' as another milestone towards its endeavor for achieving higher governance standards. Accordingly, the Board has adopted the 'Code for Corporate Governance'.

YES BANK believes that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. It is well-recognized that an effective Board is a pre-requisite for a strong and effective Corporate Governance. At YES BANK, the Board of Directors (the 'Board') is at the core of the Corporate

Governance practices and oversees how the Management serves and protects the long-term interests of the stakeholders.

YES BANK's Corporate Governance framework ensures that timely disclosures are made and accurate information is shared regarding the financials and performance, as well as the leadership and governance of the Bank.

Environmental, Social & Governance Rating

Corporate Governance is emerged as an essential tool in the organizational management globally. Strong Corporate Governance practices have become crucial in achieving competitive advantage and positively impacting profitability. YES BANK endeavors to benchmark itself with the best of companies in India and globally, to maintain the highest ratings for its Environmental, Social and Governance (ESG) practices. We are pleased to advise you that in FY 2018-19, YES BANK became the only Indian Bank to be awarded with 'PRIME' status by OEKOM Research AG. With this recognition, YES BANK stands amongst the top 12% of 249 Global financial institutions assessed on ESG performance.

YES BANK continued to be the first and only Indian Bank to be selected as an index component on the Dow Jones Sustainability Indices (DJSI) – Emerging Markets Index, for the fourth consecutive year. The Emerging Markets Index for 2018 comprises of 94 companies from 14 emerging economies, which were selected after a rigorous assessment of world's largest 3,500 companies on around 600 data points. YES BANK is the only Indian Bank, among 50 global banks, to be included in DJSI family.

YES BANK also became the first & only Indian Bank to be included in the RobecoSAM-DJSI Sustainability Yearbook's 2018 edition, which indicates that YES BANK's ESG performance is within 30% of the top performing companies in the banking sector globally.

The Bank was also selected in the FTSE4Good Emerging Index for 2nd consecutive year. The selection highlights YES BANK's continued leadership in ESG performance. YES BANK was

rated above the threshold for companies in emerging markets, as well as that of developed markets, by FTSE Russell and was selected amongst 87 Banks from emerging markets.

During FY 2018-19, YES BANK became the only Indian Bank to be included in the 100 most advanced companies in VigeoEiris Best Emerging Markets performer. The Bank was selected after a rigorous assessment of 813 companies across 20 countries.

YES BANK has closely aligned its Corporate Governance practices with shareholders' interests, undertaking in-depth reporting and disclosures on all key aspects of the business. The Bank is a benchmark institution for Triple Bottom Line accounting and reporting in India in FY 2018-19, and continues to adhere to GRI standards and Integrated Reporting guidelines of the International Integrated Reporting Council. YES BANK follows international standard and best practices and has been successfully certified for ISO 27001/2013 certification for its Information Security Management System.

II BOARD OF DIRECTORS

The composition of Board of Directors of the Bank is governed by the relevant provisions of the Banking Regulation Act, 1949, the Companies Act, 2013 and rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Articles of Association of the Bank and all other applicable laws and in accordance with the best practices in Corporate Governance from time to time.

The Corporate Governance philosophy of the Bank establishes that the Board's independence is essential to bring objectivity and transparency in the Management and in the dealings of the Bank.

As on March 31, 2019, the Board of Directors comprised of 10 Directors, 1 Non-Executive Independent Part-Time Chairman, 6 Independent Directors, 2 Non-Executive Non-Independent Directors and 1 Managing Director & Chief Executive Officer (MD & CEO). The Bank has eminent persons from diverse fields as Directors on its Board. The composition of Board of Directors represents the optimal mix of professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and diversity of experience as required in the Banking Business. The Board reviews its strength and combination from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Appointment of Directors

1. Mr. Subhash Chander Kalia was inducted on the Board as Additional (Non-Executive Non-Independent) Director w.e.f. April 3, 2018, who was appointed as Non-Executive Non-Independent Director by the shareholders at the 14th Annual General Meeting (AGM) of the Bank held on June 12, 2018.
2. Dr. Pratima Sheorey and Mr. Rentala Chandrashekhar were inducted on the Board as Additional Directors (Independent) w.e.f. April 26, 2018, who were appointed as Independent Directors by the shareholders at the 14th AGM of the Bank held on June 12, 2018.
3. Mr. Uttam Prakash Agarwal was inducted on the Board as Additional Director (Independent) w.e.f. November 14, 2018, subject to the approval of the shareholders in the ensuing AGM.
4. Mr. Thai Salas Vijayan was inducted on the Board as Additional Director (Independent) w.e.f. December 3, 2018, subject to the approval of the shareholders in the ensuing AGM.
5. Mr. Maheswar Sahu and Mr. Anil Jaggia were inducted on the Board as Additional Directors (Independent) w.e.f. January 24, 2019, subject to the approval of the shareholders in the ensuing AGM.
6. Mr. Brahm Dutt, Non-Executive Independent Director, was appointed as 'Part-Time Chairman' of the Bank w.e.f. January 11, 2019, pursuant to the approvals received from RBI and will hold office till January 10, 2022.
7. Mr. Ajai Kumar, Non-Executive Non-Independent Director, was appointed as 'Interim MD & CEO' of the Bank for the period from February 1, 2019 to February 28, 2019 and thereafter continued as Non-Executive Non-Independent Director of the Bank.
8. The Board of Directors of the Bank on January 24, 2019, basis recommendations of the Nomination & Remuneration Committee appointed Mr. Ravneet Singh Gill as an Additional Director effective from the date of his taking charge and to hold office up to the date of this AGM. In the said meeting, the Board also appointed Mr. Gill as the Managing Director and Chief Executive Officer (MD & CEO) of the Bank for the period of three (3) years commencing from the date of his taking charge as MD & CEO, on the terms & conditions as approved by the RBI and as may be further decided by the Board of Directors, from time to time, subject to necessary sanctions and approvals from the RBI and the Shareholders of the Bank, as may be applicable. Mr. Gill took charge as MD & CEO of the Bank w.e.f. March 1, 2019.
9. Mr. Ravinder Kumar Khanna has been inducted on the Board as Additional (Non-Executive Non-Independent), Indian Partners Representative Director w.e.f. April 26,

2019, subject to the approval of the shareholders in the ensuing AGM.

- Ms. Shagun Kapur Gogia has been inducted on the Board as Additional (Non-Executive Non-Independent), Indian Partners Representative Director w.e.f. April 26, 2019, subject to the approval of the shareholders in the ensuing AGM.

Re-appointment of the Directors

- Mr. Subhash Chander Kalia, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.
- Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), Non-Executive Independent Director, will complete his first term as an Independent Director on June 13, 2019 and is eligible for re-appointment as an Independent Director of the Bank for the second term upto April 24, 2020 (i.e. completion of eight years in the Bank as permissible under Banking Regulation Act, 1949), or such other extended term as may be approved by RBI.
- Mr. Brahm Dutt, Non-Executive Independent Director, will complete his first term as an Independent Director on June 13, 2019 and is eligible for re-appointment as an Independent Director of the Bank for the second term upto January 10, 2022.

Retirement/Cessation of Directors

- In terms of RBI letter dated January 28, 2016 & March 28, 2018, Mr. Saurabh Srivastava completed his tenure as a Non-Executive Independent Director of the Bank w.e.f. close of business hours on April 22, 2018.
- Ms. Debjani Ghosh, Non-Executive Independent Director has resigned from the office of the Director on April 26, 2018, due to her pre-occupation with full time engagement as President of National Association of Software and Services Companies (NASSCOM).
- Mr. Ashok Chawla, Non-Executive (Independent) Part-Time Chairman of the Bank resigned w.e.f. November 14, 2018, mentioning that during the current transition period, the Bank would need a Chairman who could devote more time and attention.
- Mr. Vasant Gujarathi, Non-Executive Independent Director of the Bank resigned w.e.f. close of business hours on November 14, 2018, due to personal commitments.

- Mr. Rentala Chandrashekhar, Non-Executive Independent Director of the Bank resigned w.e.f. November 19, 2018, citing that he was deeply concerned about the recent developments at the Bank and dismayed at the manner in which they have been dealt with and it is more distressing that all this should have been occurred during a critical transition period when tact, wisdom and purposeful, well-considered actions were called for and the resulting situation arising from recent development and their handling is not conducive to the discharge of his duties.

- Mr. Rana Kapoor demitted the office as MD & CEO of the Bank w.e.f. close of business hours on January 31, 2019 upon completion of his term pursuant to RBI's letter dated September 17, 2018.

None of the Directors of the Bank are related to each other.

List of Core Skills/ Experience/ Competencies Identified by the Board

The Board of Directors have identified the following Core Skills/ Practical Experience/ Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively. The same are in line with the relevant provisions of the Banking Regulation Act, 1949 and relevant circulars issued by RBI from time to time:

- Accountancy;
- Agriculture and Rural Economy;
- Banking;
- Co-operation;
- Economics;
- Finance;
- Law;
- Small-Scale Industry;
- Information Technology;
- Payment & Settlement Systems;
- Business Management;
- Risk Management;
- Human Resources; and
- Any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the banking company.

Composition of the Board of Directors

The Composition of the Board of Directors of the Bank as on March 31, 2019, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are as follows:

Sr. No.	Name of the Director	Category	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	List and Category of Directorship in other Listed Companies
1.	Mr. Ravneet Singh Gill	MD & CEO	▲ Banking – Credit, Risk Management, Foreign Exchange, Trade Finance, Investment Banking and Structured Finance	Nil
2.	Mr. Brahm Dutt	Non-Executive (Independent) Part-Time Chairman	▲ Small Scale Industry; and ▲ Infrastructure	Nil
3.	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Non-Executive Independent Director	▲ Human Resources; ▲ Business Strategy; and ▲ Security Systems	Nil
4.	Mr. Ajai Kumar	Non-Executive Non-Independent Director	▲ Banking; ▲ Risk Management; ▲ Information Technology; ▲ Finance; ▲ Agriculture; ▲ Human Resources; ▲ Investments; ▲ Treasury Operations; ▲ Business Management; and ▲ Payment & Settlement Systems	Nil
5.	Mr. Subhash Chander Kalia	Non-Executive Non-Independent Director	▲ Risk Management; ▲ Banking; ▲ Micro & Small Enterprise Finance; ▲ Priority Sector Lending; ▲ Credit Recovery; ▲ Infrastructure; ▲ Agriculture lending; ▲ Rural economy; and ▲ Business Management	Nil
6.	Dr. Pratima Sheorey	Non-Executive Independent Director	▲ Marketing; ▲ Business Strategy; ▲ Human Resources; and ▲ Business Management	Nil
7.	Mr. Uttam Prakash Agarwal	Additional Director (Independent)	▲ Accountancy; ▲ Finance; ▲ Corporate Advisory; ▲ Taxation; and ▲ Management Consultancy	Globe International Carriers Limited (Independent Director)
8.	Mr. Thai Salas Vijayan	Additional Director (Independent)	▲ Information Technology; ▲ Marketing; ▲ Human Resource; ▲ Strategic Management; and ▲ Corporate Governance	Nil

Sr. No.	Name of the Director	Category	Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies	List and Category of Directorship in other Listed Companies
9.	Mr. Maheswar Sahu	Additional Director (Independent)	<ul style="list-style-type: none"> ▲ Strategic Planning; ▲ Leadership; ▲ Organization & Institution Building; ▲ Environment Management; ▲ Marketing and Policy Making; and ▲ Corporate Society Responsibility 	National Aluminum Company Limited (Additional Director)
10.	Mr. Anil Jaggia	Additional Director (Independent)	<ul style="list-style-type: none"> ▲ Information Technology - Strategy & Implementation; ▲ Risk Management; ▲ Retail & Wholesale Banking; ▲ Governance; ▲ Value Creation; ▲ Strategic Planning; ▲ Stakeholder Management; and ▲ Operations and Process Optimization 	Nil

Notes:

- ▲ In terms of Section 10(2A) of the Banking Regulation Act, 1949 all Directors other than the Chairman and/or Whole-time Directors or MD & CEO cannot hold office continuously for a period exceeding eight (8) years.
- ▲ The Nomination & Remuneration Committee ('N&RC') of the Board undertakes the process of due diligence and evaluates every year whether the members of the Board adhere to the 'fit and proper' criteria as prescribed by the RBI and the adherence to the 'fit and proper' criteria by the members of the N&RC is evaluated by the Board of Directors annually and at the time of appointment of Directors.

Profile of Board of Directors**Mr. Ravneet Singh Gill**

(Appointed as MD & CEO of the Bank w.e.f. March 1, 2019)

Mr. Ravneet Singh Gill, aged 56 years, is the MD & CEO of YES BANK.

Mr. Ravneet Singh Gill took charge as MD & CEO of the Bank w.e.f. March 1, 2019. Prior to joining YES BANK he was the Chief Executive Officer of Deutsche Bank in India and was also a member of Deutsche Bank AG's Asia Pacific Executive Committee since July 2012.

He has approximately 33 years of extensive banking experience across structured financing, foreign exchange, transaction banking, risk management and private banking.

He joined Deutsche Bank in 1991 in Private Wealth Management and moved to the Corporate Bank in 1993. In 1995, India embarked upon the largest telecoms privatization in the world and he ran the Telecoms Group from 1995-2000. During this period, Deutsche Bank became the pre-eminent 'Telecoms Bank' in the country with a dominant market share and telecoms became the bank's defining business.

In 2003, he took over as Head of Corporate Banking Coverage and held the position till December 2008 when he was appointed Head of Coverage for Global Markets.

In 2011, he took over as Head of Capital Markets & Treasury Solutions before being promoted as Chief Executive Officer in 2012.

He holds a Masters degree from Hindu College, Delhi University. He was on the Management Committee of the Indian Banks Association (IBA) from 2012 to 2018. He was also on the Advisory Boards of Daimler India Ltd. and sits on the Advisory Board of the IPL franchise Rajasthan Royals.

Mr. Ravneet Singh Gill does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Brahm Dutt

Mr. Brahm Dutt, aged 68 years, has been on the Board of YES BANK since July 24, 2013 as a Non-Executive Independent Director.

Further, Mr. Brahm Dutt, Non-Executive Independent Director, was appointed as 'Part-Time Chairman' of the Bank w.e.f. January 11, 2019, pursuant to the approvals received from RBI and will hold office till January 10, 2022.

During his career in the IAS for 37 years, he held several posts in the State Government of Karnataka as well as in the Central Government and rose to the level of Secretary to Government of India. Before retirement from the service, he worked as Secretary in the Cabinet Secretariat and in the Ministry of Road Transport & Highways, for over three and half years. After retirement from the IAS, he was an advisor (Energy & Highways) to Government of Karnataka from May 2011 to September 2013. Besides advising several private companies on issues related to SMEs, FDI, Infrastructure, Highways and Power, he was also associated with several government committees and task forces.

His core competence is in the area of SME development. He had held prominent positions such as Joint Development Commissioner for Handlooms, Ministry of Textiles, Executive Director, Indian Silk Export Promotion Council and Joint Secretary (SSI), Ministry of Industry, in Government of India for over 10 years and Director of Industry and Commerce in Karnataka for about 2 years. He has acted as a member on the Board of Directors of SIDBI, NSIC, KSFC, KSSIDC and several other public sector undertakings associated with development and financing of small scale and micro enterprises. He has closely dealt with issues connected with availability of credit to these sectors and was associated with several high level committees for improving availability of credit to these sectors. As Joint Secretary, the very first initiative for development of micro finance institutions in the country was taken by him.

Some other posts held in Government of India are Chairman, Tariff Authority for Major Ports, Chairman, National Authority for Chemical Weapons, Additional Secretary (Department of Personnel & Training), Counsellor (Commerce & Finance, Embassy of India, Washington DC) and Deputy Secretary (Ministry of Commerce). In the State Government of Karnataka, he held the posts of Principal Home Secretary, Principal Secretary (Disinvestment & Public Sector Reforms), CMD, Mysore Paper Mills, Secretary (Education) and also worked in the field as Assistant Commissioner in-charge of sub-division and Deputy Commissioner of Mysore District in Karnataka.

He had led several missions as International Consultant for the International Trade Centre, Geneva for preparation of projects for development of SMEs in Ghana, Nigeria and The Gambia in Africa. He also acted as a Consultant for UNIDO and UNDP.

He is M.Sc. (Physics), MA (Economics) & LL.B. and has more than 37 years of experience in the Indian Administrative Services (IAS).

He was also the Non-Executive Chairman and Independent Director on the Board of Bharat Road Network Limited, a listed company promoted by SREI Group for development of Highways in the Country.

Mr. Brahm Dutt does not hold any equity shares in the Bank as on March 31, 2019.

Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)

Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), aged 67 years, has been on the Board of YES BANK since April 25, 2012 as a Non-Executive Independent Director.

He is a hardcore professional, Gen. Sabharwal had an outstanding service career, spanning over 40 years in the Indian Army that began with successfully fighting in the Indo-Pakistan War in 1971. He has a rich operational experience having served in Siachen, Ladakh, Manipur in North East India, and several tenures in Jammu and Kashmir engaged in counter terrorist operations.

He was the Corps Commander of the sensitive 15 Corps at Srinagar responsible for maintaining internal security and stability within the Kashmir Valley. He was the Security Advisor to the J&K Government in 2007-08 during the President's Rule arising out of the Amarnath Shrine Board agitation.

He was appointed as the Adjutant General of the Indian Army in 2008, wherein he managed the entire Human Resources of over 11 lakh officers and soldiers and interests of 22 lakh ex-servicemen. He has sound experience in policy formulation, implementation and monitoring of manpower planning, personnel services, recruitment, selection, discipline, vigilance, welfare and security.

Having done his schooling from St. Columba's High School, Delhi, he has completed his Masters in Defence Studies from Madras University and Masters in Management Studies from Osmania University. He is also a Master of Military Arts and Science from CGSC University, Kansas, USA, a Master of Strategic Studies from US Army War College, Pennsylvania, USA and an M(Phil) in Defence Studies from Madras University.

He completed his PhD from the Indira Gandhi National Open University, New Delhi in 2015. The subject of his thesis was 'Terrorism in South Asia and its Relationship to India's Security'.

He was awarded the Param Vishisht Seva Medal for distinguished services of an exceptional order by the President of India. Earlier, he had been awarded the Vishisht Seva Medal, the Ati Vishisht Seva Medal and the Bar to Ati Vishisht Seva Medal.

He retired from service in 2011. In 2015, he was nominated by the Raksha Mantri to Chair a Committee of Experts to review the litigation and grievances in the Defence Services of India. In 2016, he was a member of the RMC Expert Committee to review the combat potential of the Defence services. He is currently a Distinguished Fellow at the Centre for Joint Warfare Studies (CENJOWS) based in New Delhi.

Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Ajai Kumar

Mr. Ajai Kumar, aged 65 years, has been on the Board of the Bank since January 29, 2016 as a Non-Executive Non-Independent Director.

Further, Mr. Ajai Kumar had been appointed as 'Interim Managing Director and Chief Executive Officer' of the Bank for the period from February 1, 2019 to February 28, 2019.

Prior to this, he was acting as Senior Strategic Advisor of the Bank since 2014. Mr. Ajai Kumar has a distinguished career in banking industry having more than 40 years of experience in Public Sector Banking Industry holding eminent leadership positions in India and overseas (New York, USA) including as CMD of Corporation Bank, Executive Director of UCO Bank and as General Manager & Head of Technology and Retail Banking at Bank of Baroda.

As CMD of Corporation Bank, he provided strong leadership to take Bank to next level of Business, implemented turnaround strategies successfully by creation of strong business processes and structures in the form of Circle Offices for better efficiency and controls, launching SME Loan Centres, Agriculture Business Development Cells, and several Gold Loan Shoppes. Under his leadership, Corporation Bank emerged as the Bank with very strong financials, best productivity, best asset quality and best customers services among its peers. The Bank was ranked No. 1 in the country for its performance in MSME finance for the year 2012-13 and honored with National award by Prime Minister of India.

Prior to Corporation Bank, Mr. Ajai Kumar was Executive Director of UCO Bank wherein, he had developed significant improvements in structures, systems and controls in operations, credit monitoring and supervision.

In his 36 years of service in Bank of Baroda, he had held various positions handling key responsibilities in Head Office, Zonal Offices, Branches, New York Office and Off-shore Banking Operations of Nassau, Bahamas, covering a vast spectrum of banking operations. He also

played a pivotal role in strengthening and consolidating Retail Business with centralized process through Retail Loan Factories and introduction of several new value-based products for customers. His hands-on and practice-driven experience facilitated balanced decision making with insight into all aspects.

He secured several awards and accolades in his illustrious career as a Banker and has also been honored with Outstanding Award for the paper submitted on 'Knowledge Management – A Perspective for Public Sector Banks' in BECON 2003. He was also a Member of the Board of Directors at Indo Zambia Bank Ltd. and Multi Commodity Exchange of India Limited and was also holding directorship of various Companies including Nuclear Power Corporation of India Limited and Metropolitan Stock Exchange of India Limited. Mr. Ajai Kumar had also served the position of the Interim MD & CEO of YES BANK from February 1, 2019 to February 28, 2019.

He is a Law Graduate and a Post Graduate in Physics from University of Allahabad. He is a Certified Associate of Indian Institute of Bankers (CAIIB). He started his career with Bank of Baroda joining as a Direct Officer in the year 1973.

Mr. Ajai Kumar holds 3,000 equity shares in the Bank as on March 31, 2019.

Mr. Subhash Chander Kalia

Mr. Subhash Chander Kalia, aged 67 years has been on the Board of the Bank since April 3, 2018 as a Non-Executive Non-Independent Director.

He has rich experience of over 38 years in the Banking Industry holding key positions in India and abroad. Previously, Mr. Kalia served as an Executive Director of Union Bank of India from November 2009 to September 2011. He also served as an Executive Director of Vijaya Bank Ltd. from October 2008 to November 2009. Mr. Kalia joined Bank of Baroda in 1973 and worked in several capacities up to the level of General Manager till 2008. He was instrumental in setting up Baroda Pioneer Asset Management Company and Baroda L & G Life Insurance Company.

He has significant expertise in Agriculture lending, Financial inclusion and Priority Sector Lending. He has also served on various Committees constituted by RBI/ Association / Government of India such as Indian Banks' Association Committee on Agro Business and Financial Inclusion for the year 2010-11, Empowered Committee on External Commercial Borrowing of RBI, Committee constituted by RBI to re-examine the existing classification and suggest revised guidelines with regard to Priority Sector Lending classification and related issues, Committee constituted

by Government of India to identify issues in financing of Projects in Road, Conventional Power, Fuel & Energy, Urban Transport and other Sectors as identified in Indian Infrastructure Report, etc.

He has also been associated with corporate and NBFCs as advisor in Financial Service sector space. He has rich experience in corporate governance practices followed in India and abroad, having served on the Boards of several Banks and Institutions. He has also served as the Chairman of Regional Rural Bank, Pratapgarh, Director on the Board of erstwhile Bareilly Corporation Bank Limited, Nainital Bank Limited, Shahjahanpur Kshetriya Gramin Bank Limited and Bareilly Kshetriya Gramin Bank Limited and various overseas subsidiaries of Bank of Baroda, etc.

He holds a Bachelor's degree in Arts from Punjab University and a Master's degree in Political Science, with the distinction of standing first in the University from Guru Nanak Dev University and is also a Gold Medalist. He is also a qualified CAIIB.

He also served as director on the Board of PNC Infratech Limited, Amar Ujala Publications Limited (since December 2017) and INFIN Asset Reconstruction Private Ltd. (Striking Off as on date). Currently, he also serves as Director on the Board of BOI AXA Investment Managers Private Limited, IFCI Venture Capital Funds Limited and NABARD Financial Services Limited.

Mr. Subhash Chander Kalia holds 3,000 equity shares in the Bank as on March 31, 2019.

Dr. Pratima Sheorey

Dr. Pratima Sheorey, aged 46 years has been on the Board of the Bank since April 26, 2018 as a Non-Executive Independent Director.

She has over 21 years of experience in Academics (Marketing), Consumer behaviour, Market Research, Training and Customer Insight mapping. She is currently the Director of Symbiosis Centre for Management and Human Resource Development (SCMHRD), a leading B-school in Pune. She is a member of the Academic Council, Board of studies and Post-Graduate Admissions Committee of Symbiosis International (Deemed University) and as Associate Dean (Student Affairs). She was a full time Faculty at SCMHRD as an Associate Professor in the Department of Marketing from July 2007 till April 2013 as well as a Visiting Faculty from June 1999 till January 2001 and Full time Faculty from January 2001 till July 2003. She has also been associated with Hero Corporate Services Limited, ORG – MARG (The Nielson Company) and IMRS India Ltd for Research.

She brings with her extensive research on Consumer behavior, Customer loyalty, Market research across consumer focused sectors, with a specific emphasis on creating an all-round experience in customer engagement. She has co-authored numerous papers for Journals and has also co-authored a chapter, 'A conceptual framework for determining brand attitude and brand equity through text analytics of social media behavior' in Encyclopedia of Information Science and Technology.

She is a Ph.D. in Marketing and is an MBA (Marketing) from Pune University. She is a Bachelor of Science (Microbiology) from Pune University and has qualified UGC NET in 2012.

Dr. Pratima Sheorey does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Uttam Prakash Agarwal

[Appointed as an Additional Director (Independent) of the Bank w.e.f. November 14, 2018]

Mr. Uttam Prakash Agarwal, aged 55 years is a Chartered Accountant with 3 decades of experience in taxation, finance and restructuring having worked extensively in areas such as statutory audit, income leakage audit, Concurrent Audit, Stock Audit, of public sector banks under RBI's appointment. He also has an experience of Companies Audit and Special Audit of Bharat Petroleum, Hindustan Petroleum, Indian Oil & Larsen Turbo, appointed by Central Board of Excise & Customs. He has carried out statutory Audit of Public sector undertaking & Mutual Funds appointed by Control of Audit General (CAG).

He also has rich experience in providing tax and business advisory services to private equity investors, banks, investment banks, brokerage houses and finance companies.

He has been the youngest President of ICAI 2009-10, and has been acknowledged by former President of India, Smt. Pratibha Devisingh Patil, for his commendable work in the industry and presented with 'Recognition of Excellence Award'.

He was also awarded with 'UDAN 2011' by the Times of India Group Newspaper Navbharat Times.

He also holds the honorary membership of Institute of Chartered Accountants of Australia and Certified Public Accountant of Australia.

As a prolific speaker, he has addressed various conferences, seminars and workshops, organized nationally and internationally by ICAI and has authored several books as well.

He also holds directorships in various companies and has been actively associated for a number of years with various professional and social associations.

He has held memberships on several Boards/Committees including in BFSI Sectors. Some of his memberships are as under:

- ▲ Member on the Board of Insurance Regulatory and Development Authority (IRDA), Member on the Board of Tariff Advisory Committee of IRDA and also a member of Standing Committee on Accounting Issues (SCAI) constituted by IRDA;
- ▲ Member of Sub-Committee (Audit) of the Board for Financial Supervision of Reserve Bank of India (RBI);
- ▲ Member of the Audit Advisory Board and the Government Accounting Standards Advisory Board-both constituted by the Comptroller and Auditor General of India;
- ▲ Member of IFRS Core Group under the Chairmanship of Secretary, Ministry of Corporate Affairs (MCA);
- ▲ Member on the Committee on Internal Audit constituted by the Office of Controller General of Accounts, Government of India;
- ▲ Member of the National Advisory Committee on Accounting Standards constituted by the Ministry of Corporate Affairs, Government of India;
- ▲ Technical Advisor on the Board of International Federation of Accountants (IFAC), Developing Nations Committee (DNC) of IFAC and Small and Medium Practices Committee (SMP) of IFAC;
- ▲ Member on the Board of the Confederation of Asian and Pacific Accountants (CAPA) and CAPA Sub-committee on Environmental Accounting;
- ▲ Member on the Board of South Asian Federation of Accountants (SAFA) and Chairman of SAFA, SMP Committee;
- ▲ Technical Advisor on the Board of International Federation of Accountants (IFAC), Developing Nations Committee (DNC) of IFAC and Small and Medium Practices Committee (SMP) of IFAC;
- ▲ Member of the Disciplinary Committee constituted by the Council of the Institute of Actuaries of India nominated by the Ministry of Finance from 2009 to till Date;
- ▲ Member of the Central Direct Taxes Advisory Committee (CDTAC) constituted by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Govt. of India and Regional Direct Taxes Advisory Committee (RDTAC), New Delhi;

the National Advisory Committee on Accounting Standards constituted by the Ministry of Corporate Affairs, Government of India; the Audit Advisory Board and the Government Accounting Standards Advisory Board, constituted by the CAG;

- ▲ Member on the Board of Insurance Regulatory and Development Authority (IRDA); Board of Tariff Advisory Committee of IRDA; and
- ▲ Member of Standing Committee on Accounting Issues (SCAI) constituted by IRDA; Member of SEBI Committee on Disclosures and Accounting Standards (SCODA).

Mr. Uttam Prakash Agarwal does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Thai Salas Vijayan

[Appointed as an Additional Director (Independent) of the Bank w.e.f. December 3, 2018]

Mr. Thai Salas Vijayan, aged 65 years, is an eminent leader, with an impeccable public track record. He was the past Chairman of Insurance Regulatory & Development Authority of India ('IRDAI'). Before assuming charge as Chairman, IRDAI in 2013, Mr. Vijayan held several senior leadership positions in various capacities in the Life Insurance Corporation of India ('LIC'), India's largest Insurance Company, and assumed responsibility as its Chairman in 2006. He took charge as Chairman of LIC when competition was at its peak upon opening of insurance sector in 2001. His career in LIC started as a Direct Recruit Officer in the year 1977 and some of the important assignments held by him were Managing Director of LIC, Executive Director (IT & BPR), Director and Chief Executive of LIC Housing Finance Limited Carehomes.

His specialization includes Information Technology, Human Resources & Marketing. He was the architect of the concept of Satellite Offices in LIC which brought about a revolution in customer service. He has participated in several national and international seminars in the areas of Information Technology, Strategic Management, Corporate Governance, Financial Management, Value creation in Service industry etc. He has received extensive training in Business Schools like Indian School of Business and apex training institutes like NIA, MDC etc.

He pursued his education in Kerala and holds a special graduate degree from Kerala University. He also holds a Diploma in Management.

He also serves as director on various companies such as Muthoot Microfin Limited.

Mr. Thai Salas Vijayan does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Maheswar Sahu

[Appointed as an Additional Director (Independent) of the Bank w.e.f. January 24, 2019]

Mr. Maheswar Sahu, aged 66 years, is an ex-senior civil servant with over 30 years of leadership experience in Central and State Governments. He joined the Indian Administrative Service (IAS) in 1980 and has served the Government of India and Government of Gujarat in various capacities for more than three decades before retiring as Additional Chief Secretary, Govt. of Gujarat in 2014.

His career span includes more than 20 years of service in industry and more than 10 years of active involvement in Public Sector Undertaking Management. He has worked for more than 3 years in United Nations Industrial Development Organization. He was instrumental in organization of four Vibrant Gujarat events.

He has extensive exposure in Administrative roles, Project Management, IT projects, Marketing and policy making at District, State and Central levels and has also contributed towards infrastructure development, infrastructure finance, investment, IT development and technology promotion as well as private sector development. He has extensive interaction with International/ National/ State Level Industry and Trade Bodies. His area of specialization includes Strategic Planning, Direction and Decision, Leadership, Connect & Influence, Coaching, Organization & Institution Building, Large Scale Project Management, Environment Management, Policy Making, Corporate Society Responsibility and Implementation of Infrastructure Projects.

He has previously served as the Former Additional Chief Secretary (Industries & Mines); Vice Chairman & MD, Gujarat Industrial Development Corporation (GIDC); Joint Secretary, Ministry of Communication & IT; Project Director, International Centre for Advancement of Manufacturing Technology; Joint Secretary, Ministry of Environment & Forest, Government of India; Industries Commissioner of Government of Gujarat; Commissioner of Information Technology and MD, Gujarat Informatics Limited; Joint Secretary Government of India; Joint Managing Director of Gujarat Industrial Development Corporation; Managing Director of Gujarat Tourism Corporation; and also Head of the District Administration for about eight years.

He is a B.Sc. (Engg.) in Electrical from NIT, Rourkela (1977), and Masters of Public Administration from University of Birmingham, United Kingdom (1994).

He also serves as director on the Board of various companies including National Aluminium Company Limited and GSEC Limited.

Mr. Maheswar Sahu does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Anil Jaggia

[Appointed as an Additional Director (Independent) of the Bank w.e.f. January 24, 2019]

Mr. Anil Jaggia, aged 57 years, has nearly three decades of expertise in the Banking and Financial Services covering HDFC Bank, Centurion Bank of Punjab and Citi Bank. A senior banker with an impeccable leadership track record, Mr. Jaggia brings in considerable expertise in Information Technology along with other areas such as Customer Service, Operations, Financial inclusion, Enterprise Transformation, Quality Improvement, and Administration. He is presently an Advisor and Consultant in Financial Services sector.

He is ex-Group Head and ex-Chief Information Officer of HDFC Bank. He is well known in the Banking Industry as a Technology leader who spearheaded HDFC Bank's IT function at a market leadership position. At HDFC Bank, he also led various other functions like Financial Inclusion and Customer Service. As Chief Operating Officer, he was also a part of core leadership team which helped restructure and recapitalize Centurion Bank of Punjab. He has successfully executed three mergers, while integrating all business processes including IT system in record time. He has worked with Citi Bank in India, Singapore and USA in businesses covering Cash Management, International Trade, Foreign Exchanges & Derivatives, Asset Sale and Commercial Cards and worked across functional areas including Business Management, Product Management, Operations, Sales and Trading. He held the position of Head – Forex & Derivatives as his last assignment with Citi Bank in India.

He is an MBA (PGDM) from IIM Ahmedabad and B. Tech. from IIT Kanpur.

He is currently on the Board of EpiMoney Private Limited and he served on the Boards of HDB Financial Services Limited (NBFC subsidiary of HDFC Bank Limited) and SBI Cards and Payments Services Private Limited in the past. He has also served on the Global Customer Advisory Board of IBM; and Global Customer Advisory Board of CISCO

Mr. Anil Jaggia does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Ravinder Kumar Khanna

[Appointed as an Additional Director (Non-Executive Non-Independent) of the Bank w.e.f. April 26, 2019]

Mr. Ravinder Kumar Khanna, aged 68 years, has over 40 years of experience in Indian Industry. He started his career in the Process Industry at Ballarpur Industries Limited. He later promoted his own companies, M/s Techcraft (Techcraft) and Kwik Form Structurals Private Limited (Kwik-form). Techcraft developed a software technology park in Noida (U.P.) in the Year 2000 and currently provides infrastructure facilities for software development to various multinationals in India. Kwik-form was involved in manufacturing of pre-engineered steel buildings and has executed projects with Airports Authority of India, Central Public Works Department and Indian Railways.

He is a B. Tech from Indian Institute of Technology (IIT), Delhi (1971) and Masters in Business Administration from Faculty of Management Studies (FMS), Delhi (1973).

He has also served as President of Rotary Club of Delhi, Chankyapuri.

The said appointment was basis the Joint Recommendation Letter dated April 16, 2019 received from both the Indian Partners i.e. (i) Mr. Rana Kapoor and (ii) Ms. Madhu Kapur, Ms. Shagun Kapur Gogia & Mr. Gaurav Kapur (legal heirs and successors of Late Mr. Ashok Kapur).

Mr. Ravinder Kumar Khanna does not hold any equity shares in the Bank as on April 26, 2019.

Ms. Shagun Kapur Gogia

[Appointed as an Additional Director (Non-Executive Non-Independent) of the Bank w.e.f. April 26, 2019]

Ms. Shagun Kapur Gogia, aged 44 years, is the Founder and Managing Director of Tuscan Ventures which she founded in 2007. Tuscan was built with a focus on providing value based capital & operational expertise to building businesses around disruptive technologies, financial services, supply chain services & food.

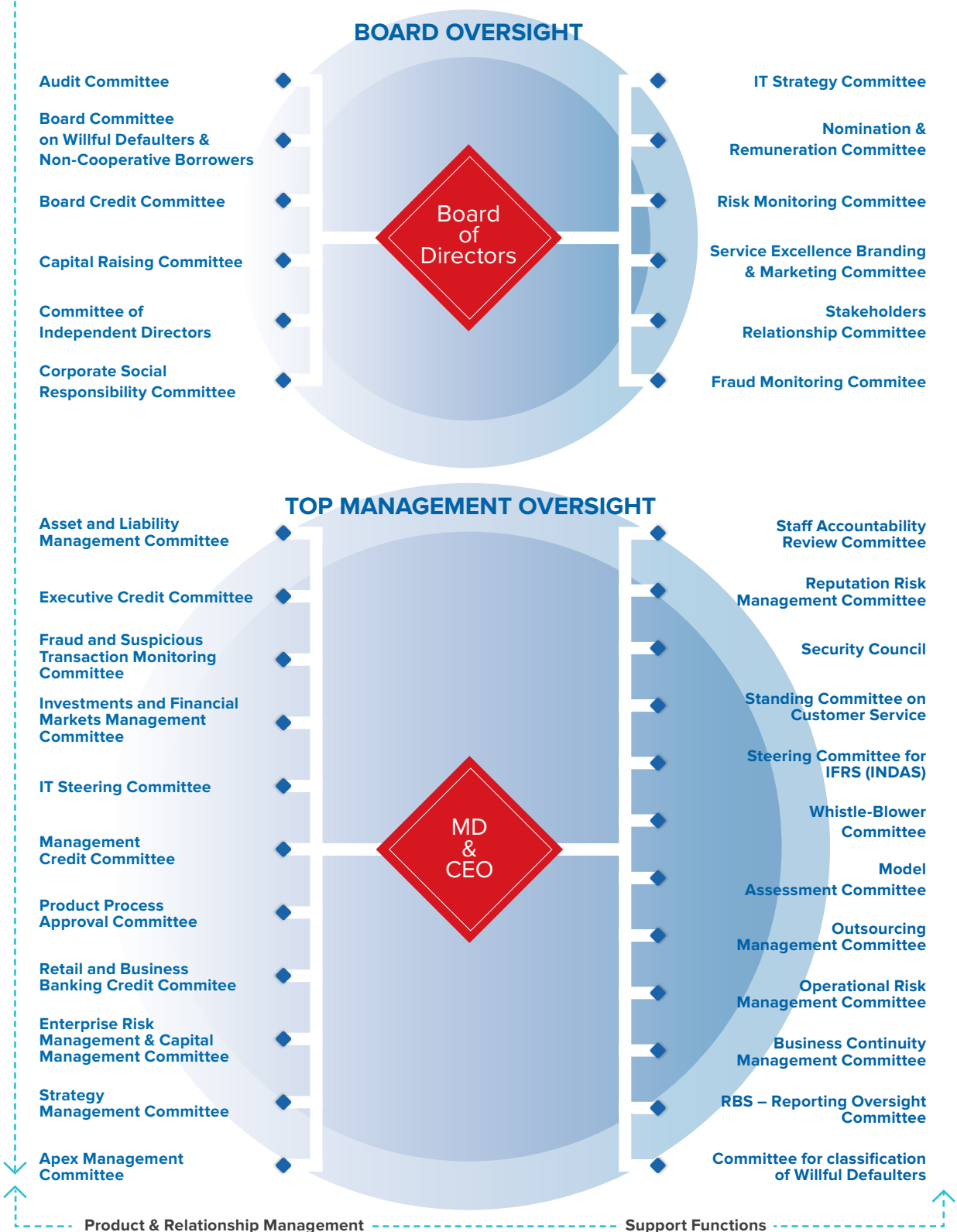
Prior to founding Tuscan Ventures, Ms. Gogia was at ICICI Ventures, India's largest private equity fund, where she handled private equity placements in India. She has 20+ years of extensive experience in General & Financial Management of corporate bodies.

She is a cum laude Double Major in Economics and Biology from Tufts University, USA. She also holds an MBA in Finance from the Indian School of Business, Hyderabad. Ms. Gogia is also a member of the Young Presidents Organisation (YPO).

The said appointment was basis the Joint Recommendation Letter dated April 16, 2019 received from both the Indian Partners i.e. (i) Mr. Rana Kapoor and (ii) Ms. Madhu Kapur, Ms. Shagun Kapur Gogia & Mr. Gaurav Kapur (legal heirs and successors of Late Mr. Ashok Kapur).

Ms. Shagun Kapur Gogia held 7,91,25,000 equity shares in the Bank as on April 26, 2019 as a joint holder with Ms. Madhu Kapur (as first holder).

Corporate Governance Structure



Governance Structure

YES BANK believes in Corporate Governance beyond regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholder's wealth maximization. In line with these ethos, the Corporate Governance Structure of the Bank, has been designed as given below, which provides a comprehensive framework to (i) enhance accountability to shareholders and other stakeholders, (ii) ensure timely implementations of the plans and accurate disclosures of all material matters, (iii) deal fairly with shareholders and other stakeholder interests, and (iv) maintain high standards of business ethics and integrity.

A) Board Level Performance Evaluation

The Bank has in place a Board Evaluation Framework setting out the process and the criteria for the performance evaluation which had been recommended by the Nomination & Remuneration Committee of the Board ('N&RC') and approved by the Board. The said process is in line with the provisions of the Companies Act, 2013, Regulations 17 & 19 of the Listing Regulations and SEBI guidance note on the Board evaluation dated January 5, 2017, which provides for carrying out the performance evaluation of the Individual Directors including Independent Directors, Non-Independent Directors, Managing Director & CEO, Chairman, Committees of the Board and the Board as a whole.

The framework is monitored, reviewed and updated by the Board as and when required, in consultation with the N&RC, based on need and new compliance requirements, if any.

The Performance evaluation is carried out on the basis of criteria provided in the Performance Evaluation Forms as under:

- a) Form A – for Non-Executive Directors including Independent Directors ('IDs')
- b) Form B – for Managing Director & CEO
- c) Form C – for Chairman
- d) Form D – for the Board as a whole
- e) Form E – for the Board Level Committees

Process of Performance Evaluation

The following process is being followed by the Bank for performance evaluation of the Individual Directors, including IDs, Non-IDs, Managing Director & CEO and Chairman, Committees of the Board and the Board as a whole:

- ▲ The Committee of Independent Directors ('CoID') evaluates the performance of Non-Independent Directors including MD & CEO, and Chairman of the Bank taking into account the views of Executive Director and Non-Executive Directors and submit its report to the N&RC. The CoID also evaluates the performance of the Board as a whole and submits the report to the Board. The CoID also assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- ▲ The Board evaluates the performance of all Directors including the Independent Directors, excluding the Director being evaluated, and submits its report to the N&RC.
- ▲ Self Assessment of Performance Evaluation of the Board level Committees are done by the respective Committees and reported to the Board.
- ▲ N&RC reviews the reports of the CoID and Board and accordingly, recommends the appointment/ re-appointment/continuation of Directors to the Board.
- ▲ Based on the recommendation of N&RC, Board may take the appropriate action.
- ▲ The Board considers the performance evaluation of Board as a whole as per the report of the CoID and also reviews the self assessment of the performance submitted by each of the Board level Committees and take appropriate steps, if deemed necessary.

Criteria of Performance Evaluation

Non-Executive Directors, MD & CEO and Chairman

Qualification and Experience; Attendance at the meetings; Participation and contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Participation; Performance Evaluation and Updation of Knowledge.

Additionally for Independent Directors – Independence of Members is also considered.

In addition to the above criteria, following are the parameters for the performance evaluation of MD & CEO and Chairman:

- ▲ Managing Director & CEO
Performance of the Bank; Recognition and awards to the Bank; and Recognition and awards to the MD & CEO.

- ▲ Chairman
Leadership; Relationships and Communications;
Conduct of Meetings; Impartiality; and Resources.

Board as a whole

Process/Policy for Appointment to the Board; Composition and Diversity; Committees of the Board; Board Meetings; Agenda; Discussions at Board Meetings; Cohesiveness of Board decisions; Team Work; Recording of minutes; Board Procedure; Understanding the role and effectiveness; Understanding the Business of the Bank; Stakeholder value and Responsibility; Strategy and Growth; Risk Management and Financial Controls; Foresight to avoid crisis and effectiveness in crisis management; Understanding the regulatory environment; Board's communication; Grievance redressal for Investors; Conflict of Interest; Review of Board evaluation; Board and Management; Succession Planning; and Induction Program.

Board level Committees

Composition and Balance of skill sets; Frequency and duration; Overall contribution; Relationships; Communication; Understanding of regulatory environment and developments; Interaction with the board; Independence of the Committee from the Board; Justice to the role of Committee; and Procedure.

Outcome of Performance Evaluation

An annual performance evaluation of the Board, Committees of the Board and the individual members of the Board was conducted in April 2019 as per the aforesaid process and the report on the evaluation were presented at the meeting of the N&RC and the Board of Directors. The Directors expressed their satisfaction with the evaluation process.

The feedback of the Board, post completion of the exercise of performance evaluation of the Board and Committees of the Board were as under:

1. The Board is functioning as a cohesive body which is well engaged with different perspectives and has performed on all the parameters and the Board of the Bank is well balanced in terms of diversity of experience and skill sets to meet the requirements of the Bank, also confirm to the Regulatory requirements.
2. The Board and its Committees were effective in achieving their respective Charters and the members acted with diligence and care. Further, important issues are brought up and discussed in the Board/ Committee Meetings.

3. Directors qualified to continue on the Board having understood and discharged their responsibilities and also continue to qualify under the 'Policy on Board Diversity and Fit and Proper criteria and Succession Planning' of the Bank.
4. The Board also noted that given the changing external environment, there is need for better allocation of time for business reviews, periodic refreshers for the Board on key strategic thrusts.

B) Policy on Appointment of Directors

The Bank has a Board approved 'Policy on Board Diversity and Fit & Proper Criteria and Succession Planning' ('Fit & Proper Policy') which laid down the process for appointment of Directors including the required skill sets, experience, etc. The Policy covers all the aspects of Board composition, skill sets, diversification of the Board of Directors as required under the Companies Act, 2013, Listing Regulations, the Banking Regulations Act, 1949 and other regulatory and business requirements. As per the Fit & Proper Policy of the Bank, your Bank ensures that not less than 51% of the total number of members of the Board of Directors shall have special knowledge or practical experience in (i) accountancy, (ii) agriculture and rural economy, (iii) banking, (iv) co-operation, (v) economics, (vi) finance, (vii) law, (viii) small-scale industry, (ix) Information Technology (x) Payment & Settlement Systems (xi) Human Resources (xii) Risk Management (xiii) Business Management (xiv) any other skill/ special knowledge/ practical experience as may be specified by RBI from time to time.

Process for Appointment of Directors

In terms of the Fit and Proper Policy, N&RC of the Board identifies and scrutinizes the prospective candidates for the position of Director keeping in view the requisite qualifications, expertise, skill sets, track record, etc. relevant to the Banking Business and as per the Statutory requirements and as prescribed under the aforesaid Policy. The N&RC, post assessing the fulfillment of 'fit and proper' criteria by the candidate on the basis of various declarations and disclosures received from the candidate, makes the recommendation for the appointment of proposed Director to the Board for its approval. The Board thereafter having considered the recommendation of the N&RC, makes its own assessment on the proposal for appointment of Director, basis the business as well as statutory requirements. The Board also recommends the

appointment of Managing Director & CEO and the Part-time Chairman for the approval of RBI. The Board then recommends the appointment/re-appointment of Directors to the Shareholders for approval, after taking into consideration the results of performance evaluation, and other statutory requirements.

Criteria for Appointment of Independent Directors

The N&RC while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Companies Act, 2013 and Listing Regulations.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations and they are independent from the Management.

Confirmation by the Board on Fulfillment of Independence of the Independent Director

The Board also hereby confirms that the Independent Directors of the Bank fulfill all the conditions specified in the Listing Regulations and are Independent of the Management.

Terms and Conditions for Appointment of Independent Directors

Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 read with Schedule IV and Regulation 16(1)(b) of the Listing Regulations. A formal Letter of Appointment has been addressed to Independent Directors at the time of their appointment. The terms and conditions of appointment of Independent Directors has been disclosed on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

C) Remuneration Policy

The Bank has formulated and adopted a Remuneration Policy for its Directors, Key Managerial Personnel, Senior Management, Chairman and other employees of the Bank, in terms of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, Regulation 19 of the Listing Regulations and Guidelines issued by RBI, in this regard, from time to time. The Bank does not grant any Stock Options to any Directors of the Bank except for Mr. Ravneet Singh Gill, MD & CEO of the Bank. The Remuneration Policy has been disclosed on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

D) Directors' Remuneration

The details of the remuneration paid to the Directors during FY 2018-19 are given below:

i) Executive Directors

Name of the Director	Salary*	Stock Options	Performance linked incentives	Severance Fees	Others	Commission for FY 2017-18 ⁵	(Amount in ₹)	
							Total	Commission for FY 2018-19 ⁶
Mr. Ravneet Singh Gill (MD & CEO)	5,929,949	Refer Note-1	-	-	-	-	5,929,949	-
Mr. Ajai Kumar (Interim MD & CEO)	1,503,300	-	-	-	-	-	1,503,300	-
Mr. Rana Kapoor (Ex MD & CEO) Refer Note-2	64,841,390	-	-	-	-	-	64,841,390	-

Notes:

- The Bank has executed a service contract with Mr. Ravneet Singh Gill which includes notice period of three months subject to approval RBI. He has also been granted 50 lacs Stock Options on March 1, 2019 at Fair Market Value (FMV) and can exercise the Options granted as per the vesting schedule given under the YBL MD & CEO (New) Stock Option Plan 2019 which is 20%, 30% & 50% each year, from the end of 1st year from the grant date.
- The Board of Directors of the Bank had considered and approved clawback of 100% of performance bonus paid to Mr. Rana Kapoor for FY 2014-15 and FY 2015-16 net of taxes. The amount of Bonus subjected to clawback was ₹62,17,823/- for FY 2014-15 and ₹82,45,416/- for FY 2015-16. For FY 2016-17 and FY 2017-18, the Bank has not paid any bonus to Mr. Rana Kapoor.

ii) Non-Executive Directors:

(Amount in ₹)

Name of the Director	Salary*	Others	Sitting Fees	Commission for FY 2017-18 [§]	Total	Commission for FY 2018-19 [#]
Mr. Ashok Chawla	1,866,667	-	2,375,000	-	4,241,667	-
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	-	-	4,800,000	1,000,000	5,800,000	1,000,000
Mr. Brahm Dutt	669,355	-	5,125,000	1,000,000	6,794,355	780,822
Mr. Vasant Gujarathi	-	-	1,175,000	1,000,000	2,175,000	250,000
Mr. Saurabh Srivastava	-	-	150,000	1,000,000	1,150,000	-
Mr. Ajai Kumar	-	-	4,300,000	1,000,000	5,300,000	916,667
Ms. Debjani Ghosh	-	-	150,000	750,000	900,000	-
Mr. Subhash Chander Kalia	-	-	5,250,000	-	5,250,000	1,000,000
Dr. Pratima Sheorey	-	-	1,775,000	-	1,775,000	750,000
Mr. Rentala Chandrashekhar	-	-	1,125,000	-	1,125,000	250,000
Mr. Uttam Prakash Agarwal	-	-	1,025,000	-	1,025,000	250,000
Mr. Thai Salas Vijayan	-	-	8,00,000	-	8,00,000	250,000
Mr. Maheswar Sahu	-	-	425,000	-	425,000	250,000
Mr. Anil Jaggia	-	-	575,000	-	575,000	250,000

[§] Commission pertaining to FY 2017-18 paid during FY 2018-19

[#] Commission pertaining to FY 2018-19 payable in FY 2019-20

* Salary includes perquisites, contribution towards provident funds and medical reimbursement.

Notes:

- The Non-Executive Directors were paid sitting fees of ₹1,00,000 for attending each meeting of the Board of Directors. Sitting Fees of ₹50,000 was paid for attending each of the Board Committee Meetings till June 2018 which was revised to ₹75,000 per Board Committee meetings w.e.f. July 2018 at the Board Meeting held on June 12, 2018.
- The Board on September 6, 2018, approved the appointment of Mr. Subhash Chander Kalia and Mr. Ajai Kumar as permanent invitees for attending Executive level Committee meetings, viz. the Apex Management Committee ('AMCOM') and Staff Accountability Committee ('SAC') respectively. Accordingly, the sitting fees paid to Mr. Subhash Chander Kalia and Mr. Ajai Kumar includes sitting fees of ₹ 75,000/- for attending each meeting of AMCOM & SAC.
- The Bank did not pay any amount to directors by way of salary and perquisites except to the MD & CEO, Interim MD & CEO and the Chairman.
- Commission is paid to the Directors pursuant to the approval of the shareholders' at the AGM held on June 07, 2016, for payment of profit based commission from April 01, 2015 onwards and as per the provisions of the Companies Act, 2013 and RBI Guidelines.
- The Bank has not granted any Stock Options to any Directors of the Bank except for Mr. Ravneet Singh Gill, MD & CEO of the Bank.
- There were no other pecuniary relationships or transactions of non-executive Directors vis-à-vis the Bank (except normal banking transactions).
- Mr. Brahm Dutt, Non-Executive Independent Director, was appointed as 'Part-Time Chairman' of the Bank w.e.f. January 11, 2019, pursuant to the approvals received from RBI and will hold office till January 10, 2022.
- Mr. Uttam Prakash Agarwal has been inducted on the Board as 'Additional Director (Independent)' w.e.f. November 14, 2018.
- Mr. Thai Salas Vijayan has been inducted on the Board as Additional Director (Independent) w.e.f. December 3, 2018.
- Mr. Maheswar Sahu and Mr. Anil Jaggia have been inducted on the Board as 'Additional Directors (Independent)' w.e.f. January 24, 2019.
- Mr. Ajai Kumar was appointed as Interim MD & CEO of the Bank for the period from February 1, 2019 to February 28, 2019.
- Mr. Ravneet Singh Gill took charge as the MD & CEO of the Bank w.e.f. March 1, 2019 for the period of three (3) years, i.e. till February 28, 2022.

- m) Mr. Saurabh Srivastava, Non-Executive Independent Director completed his tenure as Director on the Board of the Bank on April 22, 2018 in terms of RBI approval dated January 28, 2016 & March 28, 2018.
- n) Ms. Debjani Ghosh, Non-Executive Independent Director of the Bank, resigned w.e.f. April 26, 2018.
- o) Mr. Ashok Chawla, Non-Executive (Independent) Part-Time Chairman of the Bank resigned w.e.f. November 14, 2018.
- p) Mr. Vasant Gujarathi, Non-Executive Independent Director of the Bank resigned w.e.f. November 14, 2018.
- q) Mr. Rentala Chandrashekhar, Non-Executive Independent Director of the Bank resigned w.e.f. November 19, 2018.
- r) Mr. Rana Kapoor demitted the office as MD & CEO of the Bank w.e.f. close of business hours on January 31, 2019 upon completion of his term as approved by RBI.

E) Familiarization Program for Board Members

In compliance with the requirement of the Listing Regulations, the Bank had conducted various familiarization programmes during the financial year to familiarize Independent Directors as well as the Non-Executive Directors, to enable them to familiarize with the Bank, its management, their roles, rights, responsibilities in the Bank, nature of the Banking Industry, Business Model, Risk Management System and Technology Architecture of the Bank for the purpose of contributing significantly towards the growth of the Bank. The said programmes aims to provide to familiarize the newly appointed Director of the Bank, with the nature of the industry in which the Bank operates, Strategic Objectives of the Bank, Business Model of the Bank etc. so as to help them contribute significantly during the deliberations in the Board/ Committee meetings.

During the year, the Bank has also organized program to update the Directors on Insolvency and Bankruptcy Code and the IFSC Banking Unit (IBU) of the Bank, GIFT City, Gandhinagar. Further, the Directors attended/received trainings being organized by various Regulators/ Bodies/ Institutions on Digital Technologies that enable Banking, the latest trend in IT Strategy, Cyber Security, Corporate Loan Fraud Management, Risk and Governance issues, etc. The details of such familiarization programs are displayed on the website of the Bank and the web link thereto is <https://www.yesbank.in/about-us/corporate-governance>.

F) Information Supplied/Available to the Board

The Directors are presented with important/critical information on the operations of the Bank as well as that which requires deliberations at the highest level. The Board has complete access to all the relevant information within the Bank and also access to the Top Management of the Bank and any additional information to make informed and timely decisions. All Board and Committee meetings are governed by structured agenda notes which are backed by comprehensive background papers along with relevant annexures.

Since 2016, as a part of green initiative by the Bank, all relevant agenda papers pertaining to the Board/ Committee are being circulated well in advance to the Board of Directors through web-based portal to facilitate easy access of agenda on Ipad which would provide sufficient time to the Board for reading and understanding the proposals placed in a meeting.

The Board was presented with the information on various important matters of operations, risk management and business, new initiatives in business, budgets, financial results, update on Corporate Social Responsibility activities, minutes of Board and Committees of the Board, appointment and remuneration of the Senior Management, appointment/cessation of Key Managerial Personnel, details of joint ventures or collaborations, if any, information on subsidiaries, sale of investments, assets which are material in nature and not in the normal course of business, foreign exposure and non-compliance, if any with regulatory or statutory guidelines or in the Listing Regulations, etc., and other matters which are required to be placed before the Board in terms of the Companies Act, 2013, Listing Regulations and Theme Based Review agenda as prescribed by RBI, etc. The Board and other Committees also approve various business proposals and regulatory approvals through circulations.

G) Post Meeting Communication/ Follow up System

The Bank has an effective post meeting follow up procedure. The Bank has a mechanism to track important decisions taken at the Board/Committee meetings till the closure of such decisions and a report on ongoing actionables (Action Taken Report) are being placed before the meeting of the Board/Committees of the Board from time to time. Action Taken Report on the decisions taken in a meeting is placed at the succeeding meeting(s) of the Board/Committees of the Board.

H) Succession Planning

The Bank believes that a sound Succession Plan for the Directors and Senior Management executives is important for creating a robust leadership pipeline for the Bank. Accordingly, the Bank has put in place the policies for Succession Planning of Directors and Senior Management executives.

III BOARD MEETINGS

The Board of Directors of the Bank has decided to conduct atleast Six meetings in a year instead of minimum Four quarterly meetings as a good governance practice. Thirteen Board Meetings were held during the Financial Year ended March 31, 2019 i.e. April 3, 2018, April 26, 2018, June 12, 2018, June 13, 2018, July 26, 2018, August 28, 2018, September 25, 2018, October 25, 2018, December 13, 2018, January 9, 2019, January 24, 2019, January 29, 2019 and March 14, 2019. The maximum gap between any two Board meetings was less than One Hundred and Twenty days.

The names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, number of other Directorships and Committee membership(s)/chairmanship(s) of each Director as on March 31, 2019 are as under:

Name of the Director	Category	DIN	No. of Board meetings held during their Tenure	No. of Board meetings attended	Attendance at AGM held on June 12, 2018	Number of other Directorships		Number of Committee memberships (Chairmanships) in other companies ²
						of Indian Public Limited Companies	of other Companies ¹	
Mr. Ravneet Singh Gill (Appointed w.e.f. March 1, 2019)	MD & CEO	00091746	1	1	N.A.	-	1	-
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	05155598	13	13	Yes	1	-	1(0)
Mr. Brahm Dutt [^]	Non-Executive (Independent) Chairman	05308908	13	13	Yes	-	-	-
Mr. Ajai Kumar [#]	Non-Executive, Non-Independent Director	02446976	13	13	Yes	1	-	-
Mr. Subhash Chander Kalia (Appointed w.e.f. April 3, 2018)	Non-Executive, Non-Independent Director	00075644	12	12	Yes	2	2	2(0)
Dr. Pratima Sheorey (Appointed w.e.f. April 26, 2018)	Independent Director	08120130	11	11	Yes	-	-	-
Mr. Uttam Prakash Agarwal (Appointed w.e.f. November 14, 2018)	Additional Director (Independent)	00272983	5	5	N.A.	2	2	1(1)
Mr. Thai Salas Vijayan (Appointed w.e.f. December 3, 2018)	Additional Director (Independent)	00043959	5	5	N.A.	3	-	1(0)
Mr. Maheswar Sahu (Appointed w.e.f. January 24, 2019)	Additional Director (Independent)	00034051	2	2	N.A.	9	6	5(3)

Name of the Director	Category	DIN	No. of Board meetings held during their Tenure	No. of Board meetings attended	Attendance at AGM held on June 12, 2018	Number of other Directorships		Number of Committee memberships (Chairmanships) in other companies ²
						of Indian Public Limited Companies	of other Companies ¹	
Mr. Anil Jaggia (Appointed w.e.f. January 24, 2019)	Additional Director (Independent)	00317490	2	2	N.A.	-	1	-

[^] Mr. Brahm Dutt, Non-Executive Independent Director, was appointed as 'Part-Time Chairman' of the Bank w.e.f January 11, 2019, pursuant to the approvals received from RBI and will hold office till January 10, 2022.

[#] Mr. Ajai Kumar had been appointed as 'Interim Managing Director and Chief Executive Officer' of the Bank for the period from February 1, 2019 to February 28, 2019 and thereafter continued as Non-Executive Non-Independent Director on the Board of the Bank.

¹ Includes directorship (s) held in Foreign Companies, Private Limited Companies and Section 8 Companies in India.

² Includes membership (s) of Audit Committee and Stakeholders' Relationship Committee of all Indian Public Limited Companies; figures in brackets indicate number of Committee Chairmanship(s) as per Regulation 26 of the Listing Regulations.

Notes:

- None of the Directors of the Bank were members of more than 10 committees or acted as Chairman of more than 5 committees across all Public Limited Companies in which they were Directors in terms of Regulation 26 of the Listing Regulations.
- None of the Directors held directorship in more than 10 Public Limited Companies.
- None of the Directors were related to any Director or were a member of an extended family.
- None of the Independent Directors of the Bank served as Independent Director in more than 7 listed companies.
- Mr. Ajai Kumar, Interim MD & CEO, was not an Independent Director of any other listed company during his tenure as Interim MD & CEO of the Bank.
- Mr. Ravneet Singh Gill, MD & CEO, is not an Independent Director of any other listed company.

IV BOARD COMMITTEES

The Board has constituted various Committees of Directors to monitor the activities in accordance with Board approved terms of reference. The Board Committees focus on specific areas and take informed decisions on the specific businesses assigned to them in the best interest of the Bank. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Company Secretary adheres to all the applicable laws and regulations for conducting the meeting of the Committees as adhered to the Board meetings. Some of the Committees of the Board were reconstituted to align with the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and to meet the business requirements during the year under review.

The terms of reference of the Board Committees are reviewed from time to time atleast annually to align the same with the regulatory/business requirements.

Mr. Shivanand R. Shettigar, Company Secretary acts as the Secretary to all the Board Committees.

The Bank has twelve Board Committees as on March 31, 2019, which are briefly described below:

1. Audit Committee

Terms of Reference:

The terms of reference of the Committee include:

- To provide directions and oversee the operation of the total audit function in the Bank (internal as well as external) and issue whenever necessary suitable directions and timely completion of audit plans.
- To create an open avenue for communication between the Board of Directors, Internal Auditors and the Statutory Auditors;
- To recommend the appointment including terms of appointment and removal of statutory, internal and Secretarial Auditors, fixation of audit fees and also to approve payment for other services;

- iv. To review and monitor the adequacy of the internal control environment and Risk Management System, adequacy of checks and balances including Management Information Systems (MIS);
- v. To review and monitor the independence and adequacy of internal audit function, its policies, its structure viz. staffing and seniority of the official heading the department, coverage and frequency of internal audits;
- vi. To appoint and determine the scope of the Concurrent auditors;
- vii. To discuss and review with the Internal and Concurrent Auditors, their reports/findings with an objective of reporting any significant/ material findings to the Board;
- viii. To discuss with statutory auditors, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern w.r.t. financial statements and the Internal Financial Controls;
- ix. To review the results/financial statements (quarterly, half yearly, annual) standalone as well as consolidated along with the Auditors' report thereon and analyze performance of the Bank, along with the Management and recommend the same to the Board with primary focus on:
 - 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)(c) of the Companies Act, 2013 and rules made thereunder;
 - b) accounting policies and practices and changes, if any, with reasons for the same;
 - c) compliance with accounting standards;
 - d) major accounting entries involving estimates based on the exercise of judgment by management;
 - e) significant adjustments made in the financial statements arising out of audit findings;
 - f) compliance with listing and other legal requirements relating to financial statements;
 - g) disclosure of any related party transactions;
 - h) qualifications in the draft audit report, if any;
- x. To review Annual Tax Audit statement and auditors' report thereon;
- xi. To review Annual Long Form Audit Report as prepared by the Statutory Auditors along with Management response;
- xii. To review the information in respect of legal audits of title deeds and other documents for credit exposure of ₹50 MM and above;
- xiii. To review and approve related party transactions including any subsequent modification(s) thereto;
- xiv. To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) including statement of deviation, if any, and making appropriate recommendations to the Board to take up steps in this matter;
- xv. To approve and recommend to the Board the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- xvi. To review the Whistle-blower policy and Vigil Mechanism for Directors and Employees;
- xvii. To review and monitor compliance function, its policies and Implementation of Compliance Frameworks of the Bank;
- xviii. Review of compliance in respect of the report on the RBS conducted by RBI;
- xix. Review of compliance on directives issued by ACB/ Board/ RBI;
- xx. To institute special investigation teams with complete access to all records, information and personnel of the Bank, if necessary;
- xxi. To review all cases of frauds and attempted frauds involving amounts of ₹1 crore and above attempted frauds, along with supplementary material analyzing statistical information and details of each fraud;
- xxii. To review the functioning of Vigilance Unit and approve the changes to the Vigilance Policy;
- xxiii. To review significant cases of corruption for the quarter;
- xxiv. To review the minutes of the quarterly FASCOM, Apex Management Committee and Staff Accountability Committee meetings;
- xxv. To investigate into any matter in relation to the items specified or referred to it by the Board

- and for the said purpose shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Bank;
- xxvi. To perform any other functions, duty as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority or under any applicable laws, as prescribed from time to time.
- xxvii. To review utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
- xxviii. To review and monitor the auditor's independence and performance, and effectiveness of audit process.
- xxix. Valuation of undertakings or assets of the Bank, wherever necessary.
- xxx. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (*in case of non-payment of declared dividends*) and creditors.

Nine Audit Committee Meetings were held during FY 2018-19 i.e. on April 3, 2018, April 25, 2018, July 25, 2018, September 25, 2018, October 24, 2018, December 13, 2018, January 23, 2019, February 26, 2019 and March 14, 2019, and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee. The Statutory Auditors and the Internal Auditors are permanent invitees to the meetings of the Audit Committee.

The Composition of the Audit Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of meetings held [®]	No. of Meetings attended
Mr. Uttam Prakash Agarwal, Chairman (appointed as member w.e.f. November 15, 2018)	Additional Director (Independent)	4	4
Mr. Vasant Gujarathi (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	5	4
Mr. Brahm Dutt	Non-Executive Independent Director	9	9
Mr. Ashok Chawla (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	5	5
Mr. Saurabh Srivastava (ceased as member w.e.f. April 23, 2018)	Non-Executive Independent Director	1	1
Mr. Ajai Kumar (ceased as member w.e.f. November 15, 2018 and re-appointed as member w.e.f. January 29, 2019)	Non-Executive Non-Independent Director	7	6
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (appointed as member w.e.f. June 12, 2018 and ceased as member w.e.f. January 29, 2019)	Non-Executive Independent Director	5	5
Mr. Subhash Chander Kalia (appointed as member w.e.f. April 26, 2018)	Non-Executive Non-Independent Director	7	7
Mr. Anil Jaggia (appointed as Member w.e.f. January 29, 2019)	Additional Director (Independent)	2	2
Dr. Pratima Sheorey (appointed as Member w.e.f. March 28, 2019)	Non-Executive Independent Director	-	-

Name of the Director	Category	No. of Meetings attended as Invitee
Mr. Subhash Chander Kalia (appointed as Director w.e.f. April 3, 2018)	Non-Executive Non-Independent Director	1
Mr. Rentala Chandrashekhar (ceased to be a Director w.e.f. November 19, 2018)	Non-Executive Independent Director	3
Mr. Ravneet Singh Gill (appointed as Director w.e.f. March 1, 2019)	MD & CEO	1

Chairman – ID and Composition – 67% IDs

* Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

All members of the Audit Committee are financially literate and Chairman of the Committee has accounting and financial management expertise. The then Chairman of the Audit Committee, Mr. Vasant Gujarathi was present at the last AGM.

2. Risk Monitoring Committee

Terms of Reference:

The terms of reference of the Committee include:

- i. Promote prudent Risk Culture in the Bank and integrate risk management into the Bank's goals and compensation structure;
- ii. Assess that the Risk universe for the Bank has been adequately identified. Monitor risk profile of the Bank (including credit risk, market risk, liquidity risk, IRRBB, operational risk, model risk, reputation risk, information security risk, cyber security related risk, etc.) within the Board approved overall Risk Appetite of the Bank as outlined in the ICAAP document;
- iii. Evaluate the adequacy of the risk management function, the qualifications and background of senior risk officials and review the adequacy of the staffing of the Risk Management function to perform its role appropriately;
- iv. Oversee the Bank's Enterprise Risk Management framework, covering risk identification, measurement, monitoring and mitigation;
- v. Review, approve and recommend for the Board risk management policies, processes and risk management framework. Review and assess the effectiveness of the policies, processes and framework, address deficiencies and recommend improvements;
- vi. Review, assess and approve setting up of Bank's Risk Appetite and limits. Monitor compliance of risk limits and recommend appropriate actions in cases of breaches;
- vii. Review, assess and approve setting up of stress testing scenarios as well as review breaches therein; suggest remedial actions if any;
- viii. Monitoring compliance as well as critically analyzing various risk parameters and providing direction for corrective action wherever necessary;
- ix. Review of the Bank's portfolio and providing necessary guidance to Management;
- x. To review the minutes of Executive level Committees such as Asset Liability Committee (ALCO), Operational Risk Management Committee (ORMC), Outsourcing Management Committee (OMC), Security Council Meeting, Reputational Risk Management Committee (RRMC), Enterprise Risk and Capital Committee (ERCC), Model Assessment Committee (MAC) and any other risk related committees;
- xi. To perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or Board of Directors of the Bank or under any applicable laws as may be prescribed from time to time.

Six Risk Monitoring Committee meetings were held during FY 2018-19 i.e. on April 25, 2018, July 25, 2018, September 25, 2018, October 24, 2018, January 23, 2019 and February 26, 2019. The Composition of the Risk Monitoring Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [®]	No. of Meetings attended
Mr. Subhash Chander Kalia, Chairman (appointed as member w.e.f. April 26, 2018)	Non-Executive Non-Independent Director	5	5
Mr. Ajai Kumar	Non-Executive Non-Independent Director	6	5
Mr. Rana Kapoor (ceased as member w.e.f. close of business hours on January 31, 2019)	MD & CEO	5	5
Mr. Brahm Dutt	Non-Executive Independent Director	6	6
Mr. Ashok Chawla (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	4	4
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (ceased as member w.e.f. June 12, 2018 and re-appointed as member w.e.f. November 15, 2018)	Non-Executive Independent Director	3	3
Mr. Ravneet Singh Gill (appointed as member w.e.f. March 1, 2019)	MD & CEO	-	-

Name of the Director	Category	No. of Meetings attended as Invitee
Mr. Subhash Chander Kalia (appointed as Director w.e.f. April 3, 2018)	Non-Executive Non-Independent Director	1

Chairman – NID and Composition – 40% IDs

[®] Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

3. Nomination & Remuneration Committee

Terms of Reference:

The terms of reference of the Committee include:

- i. To review the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;
- ii. To examine the qualification, knowledge, skill sets and experience of each director vis-a-vis the Bank's requirements and their effectiveness to the Board on a yearly basis and accordingly recommend to the Board for the induction of new Directors;
- iii. To review:
 - (a) the composition of the existing Committees of the Board and to examine annually whether there is any need to have a special committee of directors to meet the business requirements of the Bank and accordingly recommend to the Board for formation of a special committee;
 - (b) Review the Terms of Reference of the Board Level Committees and recommend the changes therein, if any, to the Board;
 - iv. To scrutinize nominations for Independent/ Non-Executive Directors with reference to their qualifications and experience and making recommendations to the Board for appointment/filling of vacancies;
 - v. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
 - vi. To formulate criteria for evaluation of performance of independent directors and the board of directors;
 - vii. To carry out evaluation of every director's performance;
 - viii. 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;

- ix. To validate 'fit and proper' status of all Directors on the Board of the Bank in terms of the Guidelines issued by the RBI or other regulatory authorities;
- x. To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;
- xi. To implement policies and processes relating to Corporate Governance principles;
- xii. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- xiii. To devise a Policy on Board diversity;
- xiv. To recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees including performance/achievement bonus, perquisites, retinals, sitting fee, etc.;
- xv. To review the Bank's overall compensation structure and related policies with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Banks and the industry in general;
- xvi. To ensure the following while formulating the policy on the aforesaid matters:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (c) remuneration to Whole-time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and
- (d) Recommend to the board all remuneration, in whatever form, payable to senior management.
- xvii. To consider grant of Stock Options to employees including employees of subsidiaries and administer and supervise the Employee Stock Option Plans;
- xviii. To function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is authorized to allot shares pursuant to exercise of Stock Options by employees;
- xix. To review the Human Capital Capacity Planning on annual basis;
- xx. To review the list of risk takers on annual basis;
- xxi. To review the HCM Policies and provide suitable guidance for additions/ modification/ deletions, if any;
- xxii. To review the Succession Planning; and
- xxiii. To perform any other functions or duties as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Fourteen Nomination & Remuneration Committee (N&RC) meetings were held during FY 2018-19 i.e. on April 3, 2018, April 25, 2018, June 12, 2018, July 25, 2018, August 28, 2018, September 25, 2018, October 5, 2018, October 24, 2018, November 13, 2018, November 30, 2018, December 12, 2018, January 9, 2019, January 23, 2019 and January 29, 2019. The Composition of the N&RC and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [®]	No. of Meetings attended
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) Chairman	Non-Executive Independent Director	14	14
Mr. Brahm Dutt (ceased as member w.e.f. January 24, 2019)	Non-Executive Independent Director	13	13
Mr. Ajai Kumar (ceased as member w.e.f. June 12, 2018)	Non-Executive Non- Independent Director	3	3
Mr. Subhash Chander Kalia (appointed as member w.e.f. June 12, 2018)	Non-Executive Non-Independent Director	11	11
Mr. Thai Salas Vijayan (appointed as member w.e.f. January 24, 2019)	Additional Director (Independent)	1	1

Name of the Director	Category	No. of Meetings attended as Invitee
Mr. Ashok Chawla (ceased to be Director w.e.f. November 14, 2018)	Non-Executive Independent Director	2
Mr. Ajai Kumar	Non-Executive Non-Independent Director	3
Mr. Brahm Dutt	Non-Executive Independent Director	1
Mr. Rana Kapoor (ceased to be Director w.e.f. close of business hours on January 31, 2019)	MD & CEO	4

Chairman – ID and Composition – 67% IDs

[®] Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

4. Board Credit Committee

Terms of Reference:

The terms of reference of the Committee include:

- To approve credit proposals that are beyond the approval authority of the Management Credit Committee (MCC), as outlined in the Credit Policy;
- To approve any other aspects of credit proposals as outlined in the Credit Policy;
- To approve Investment proposals beyond limits/thresholds delegated to Investment and Financial Markets Management Committee (IFMMC) vide Board approved Investment policy;
- To review specific cases that might need special attention as and when recommended by MCC / IFMMC;
- To review status of accounts approved by BCC and MCC and any other credit related information as may be required from time to time;
- To review the minutes of MCC/ IFMMC; and
- To perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or Board of Directors of the Bank or under any applicable laws, as may be prescribed from time to time.

Twelve Board Credit Committee meetings were held during FY 2018-19 i.e. on April 3, 2018, April 25, 2018, June 12, 2018, July 25, 2018, August 28, 2018, September 25, 2018, October 24, 2018, December 12, 2018, December 28, 2018, January 23, 2019, February 26, 2019 and March 26, 2019. The Composition of the Board Credit Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [®]	No. of Meetings attended
Mr. Ajai Kumar, Chairman	Non-Executive Non-Independent Director	12	11
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Non-Executive Independent Director	12	12
Mr. Ashok Chawla (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	7	7
Mr. Brahm Dutt	Non-Executive Independent Director	12	12
Mr. Subhash Chander Kalia (appointed as member w.e.f. June 12, 2018)	Non-Executive Non-Independent Director	10	10

Name of the Director	Category	No. of Meetings attended as Invitee
Mr. Ravneet Singh Gill (appointed as Director w.e.f. March 1, 2019)	MD & CEO	1

Chairman – NID and Composition – 50% IDs

* Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the immediately next Committee meeting.

5. Stakeholders' Relationship Committee

Terms of Reference:

The terms of reference of the Committee include:

- i. To review and redress complaints from various security holders such as shareholders, debenture holders and any other security holders such as non-receipt of dividend, non-receipt of interest on debentures, annual report, transfer/transmission of shares or debentures, issue of new/ duplicate share/ debenture certificates, general meeting etc.;
- ii. Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank;
- iii. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities issued by the Bank;
- iv. To oversee the performance of the Registrar and Transfer Agent of the Bank and recommends measures for overall improvement in the quality of investor services;
- v. To apprise of Key highlights/developments pertaining to various Stakeholders including Equity Investors, debenture holders, multilateral lenders, rating agencies; etc.;
- vi. To review the engagements with various stakeholders (mentioned above) including communication and feedback. Further, recommend steps for improving engagement with the stakeholder;
- vii. To review of measures taken for effective exercise of voting rights by shareholders.
- viii. To review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- ix. To review Bank's perception amongst stakeholders and provide recommendation for enhancement of the same; and
- x. To perform any other functions, duties as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority or under any applicable laws, as amended from time to time.

Mr. Shivanand R. Shettigar, Company Secretary also acts as the Compliance Officer of the Bank.

Two Stakeholders Relationship Committee meetings were held during FY 2018-19 i.e. on July 25, 2018 and February 26, 2019. The Composition of the Stakeholders Relationship Committee and details of Members participation at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held*	No. of Meetings attended
Mr. Maheswar Sahu, Chairman (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	1	1
Mr. Ashok Chawla (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	1	1
Mr. Rana Kapoor (appointed as member w.e.f. June 12, 2018 and ceased as member w.e.f. close of business hours on January 31, 2019)	MD & CEO	1	1
Mr. Vasant Gujarathi (ceased as Member w.e.f. November 14, 2018)	Non-Executive Independent Director	1	0

Name of the Member	Category	No. of Meetings held [®]	No. of Meetings attended
Mr. Brahm Dutt (appointed as member w.e.f. January 29, 2019)	Non-Executive Independent Director	1	1
Mr. Uttam Prakash Agarwal (appointed as Member w.e.f. November 15, 2018)	Additional Director (Independent)	1	1

Chairman – ID and Composition – 100% IDs

[®] Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

There were 4 open complaints at the beginning of the year and 1,407 complaints were received from the investors/shareholders during the year, out of which 1,384 complaints have been attended to and resolved and 27 complaints were unresolved as on March 31, 2019.

6. Corporate Social Responsibility Committee

Terms of Reference:

The terms of reference of the Committee include:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy to the Board in accordance with the provisions of the Companies Act, 2013 and rules made thereunder;
- To monitor the CSR Policy of the Bank from time to time;
- To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Bank;
- To consider and recommend the Annual CSR Report to the Board for approval; and
- To perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

Two Corporate Social Responsibility Committee meetings were held during FY 2018-19 i.e. on April 25, 2018 and October 24, 2018. The Composition of the Corporate Social Responsibility Committee and details of participation of the Members at the Meeting of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [®]	No. of Meetings attended
Mr. Maheswar Sahu, Chairman (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	-	-
Mr. Rana Kapoor (ceased as member w.e.f. close of business hours on January 31, 2019)	MD & CEO	2	2
Mr. Brahm Dutt (ceased as member w.e.f. June 12, 2018)	Non-Executive Independent Director	1	1
Mr. Ashok Chawla (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	2	2
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (appointed as member w.e.f. June 12, 2018)	Non-Executive Independent Director	1	1
Dr. Pratima Sheorey (appointed as member w.e.f. June 12, 2018)	Non-Executive Independent Director	1	1
Mr. Ravneet Singh Gill, (appointed as member w.e.f. March 1, 2019)	MD & CEO	-	-

Chairman – ID and Composition – 75% IDs

[®] Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

7. Service Excellence, Branding and Marketing Committee

Terms of Reference:

The terms of reference of the Committee include:

- i. Review product approval process with a view to suitability and appropriateness;
- ii. Formulation and review of comprehensive deposit policy;
- iii. Review of customer feedback gathered through annual customer satisfaction survey of depositors and other customers and suggest action for improvement;
- iv. Review of measures taken for enhancing the quality of customer service;
- v. Review the findings of tri-ennial audit on customer service;
- vi. Review of branding, marketing and customer engagement activities of the bank;
- vii. Review of activities undertaken to promote digital payments;
- viii. Update on the Agenda, Minutes and Actionable of 'Standing Committee of Customer Service'; and
- ix. To perform any other acts, duties as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges and any other regulatory authority, as prescribed from time to time.
- x. Update on the activities undertaken for promotion of digital products.
- xi. Update on Customer Liability Cases - (Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Banking Transactions).

Two Service Excellence, Branding and Marketing Committee meetings were held during FY 2018-19 i.e. on September 29, 2018 and February 26, 2019. The Composition of the Service Excellence, Branding and Marketing Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [®]	No. of Meetings attended
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), Chairman	Non-Executive Independent Director	2	2
Mr. Rana Kapoor (ceased as member w.e.f. close of business hours on January 31, 2019)	MD & CEO	1	1
Mr. Maheswar Sahu (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	1	1
Mr. Anil Jaggia (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	1	1
Mr. Ajai Kumar (ceased as member w.e.f. January 29, 2019)	Non-Executive Non-Independent Director	1	1
Mr. Ashok Chawla (appointed as member w.e.f. June 12, 2018 and ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	1	1
Mr. Rentala Chandrashekhar (appointed as member w.e.f. June 12, 2018 and ceased as member w.e.f. November 15, 2018)	Non-Executive Independent Director	1	1
Dr. Pratima Sheorey (appointed as member w.e.f. June 12, 2018)	Non-Executive Independent Director	2	2
Mr. Ravneet Singh Gill, Chairman (appointed as member w.e.f. March 1, 2019)	MD & CEO	-	-

Chairman – ID and Composition – 80% IDs

[®] Number of meetings held during the tenure of the Director as a Member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

8. IT Strategy Committee

Terms of Reference:

The terms of reference of the Committee include:

- i. To perform oversight functions over the IT Steering Committee (at a senior management level);
- ii. To investigate activities within this scope;
- iii. To seek information from any employee;
- iv. To obtain outside legal or professional advice;
- v. To secure attendance of outsiders with relevant expertise, if it considers necessary;
- vi. To work in partnership with other Board committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies;
- vii. To approve IT strategy and policy documents;
- viii. To review that the management has put an effective strategic planning process in place;
- ix. To ratify the IT strategy in alignment with the business strategy;
- x. To provide guidance on the IT organizational structure to complements the business model;
- xi. To review whether the management has implemented processes and practices that ensure that the IT delivers value to the business;
- xii. To review that IT & Security tools investments & budgets represent a balance of risks and benefits;
- xiii. To review that IT investments represent a balance of risks and benefits and that budgets are acceptable;
- xiv. To 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;
- xv. To review whether there is a proper balance of IT investments for sustaining bank's growth;
- xvi. To become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks;
- xvii. To assess Senior Management's performance in implementing IT strategies;
- xviii. To issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);
- xix. To confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;
- xx. To 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;
- xxi. To review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value);
- xxii. To approve the Cyber Security Policy and Cyber Crisis Management Plan;
- xxiii. To be aware of the global cyber security threat landscape and provide guidance on its applicability to the Bank;
- xxiv. To review the implementation of cyber security tools and processes in line with the approved policies and regulatory directives.
- xxv. To perform any other functions or duties as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Six meetings of the IT Strategy Committee were held during FY 2018-19 i.e. on April 25, 2018, July 25, 2018, October 24, 2018, January 23, 2019, March 14, 2019 and March 25, 2019. The Composition of the IT Strategy Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held*	No. of Meetings attended
Mr. Anil Jaggia, Chairman (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	2	2
Mr. Vasant Gujarathi (ceased as member w.e.f. April 26, 2018)	Non-Executive Independent Director	1	1
Mr. Ajai Kumar	Non-Executive Non-Independent Director	6	6
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (appointed as member w.e.f. April 26, 2018 and ceased as member w.e.f. November 15, 2018)	Non-Executive Independent Director	3	3

Name of the Member	Category	No. of Meetings held [@]	No. of Meetings attended
Mr. Subhash Chander Kalia (appointed as member w.e.f. April 26, 2018 and ceased as member w.e.f. November 15, 2018)	Non-Executive Non-Independent Director	3	3
Mr. Rentala Chandrashekhar (appointed as member w.e.f. June 12, 2018 and ceased w.e.f. November 15, 2018)	Non-Executive Independent Director	2	2
Dr. Pratima Sheorey (appointed as member w.e.f. June 12, 2018)	Non-Executive Independent Director	5	5
Mr. Maheswar Sahu (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	2	1

Name of the Director	Category	No. of Meetings attended as Invitee
Mr. Subhash Chander Kalia (appointed as Director w.e.f. April 3, 2018)	Non-Executive Non-Independent Director	1
Mr. Ravneet Singh Gill (appointed as Director w.e.f. March 1, 2019)	MD & CEO	2

Chairman – ID and Composition – 75% IDs

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

9. Fraud Monitoring Committee

Terms of Reference:

The terms of reference of the Committee include:

- i. To monitor and review in detail all frauds, involving an amount of ₹1 crore and above so as to:
 - (a) Identify the systematic lacunae, if any, that facilitate perpetration of the fraud and put in place measures to plug the same;
 - (b) Identify reasons for delay in detection and reporting of frauds to top management of the Bank and the Reserve Bank of India/SFIO, etc.;
 - (c) Monitor progress of the investigations by Central Bureau of Investigation/ Police in respect of the cases and recovery position thereof;
 - (d) Ensure that staff accountability is examined at all levels in the cases of frauds and action against staff, if required, is completed quickly, with minimum loss of time;
 - (e) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal control environment;
- ii. To review the report on the Red Flag Accounts (RFA) which shall include the synopsis of the remedial action taken together with their current status;
- iii. To review electronic banking frauds; and
- iv. To perform any other act, duties as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority, as prescribed from time to time.

Three Fraud Monitoring Committee meetings were held during FY 2018-19 i.e. on April 25, 2018, July 25, 2018 and January 23, 2019. The Composition of the Fraud Monitoring Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [@]	No. of Meetings attended
Mr. Ravneet Singh Gill, Chairman (appointed as member w.e.f. March 1, 2019)	MD & CEO	-	-
Mr. Uttam Prakash Agarwal, (appointed as member w.e.f. November 15, 2018)	Additional Director (Independent)	1	1
Mr. Rana Kapoor (ceased as member w.e.f. close of business hours on January 31, 2019)	MD & CEO	3	2
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (ceased as member w.e.f. June 12, 2018)	Non-Executive Independent Director	1	1
Mr. Vasant Gujarathi (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	2	1
Mr. Ajai Kumar	Non-Executive Non-Independent Director	3	3
Mr. Brahm Dutt (ceased as member w.e.f. January 29, 2019)	Non-Executive Independent Director	3	3
Mr. Subhash Chander Kalia (appointed as member w.e.f. April 26, 2018)	Non-Executive Non-Independent Director	2	2
Mr. Anil Jaggia, (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	-	-

Name of the Member	Category	No. of Meetings attended as Invitee
Mr. Subhash Chander Kalia (appointed as Director w.e.f. April 3, 2018)	Non-Executive Non-Independent Director	1

Chairman – ID and Composition – 40% IDs

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

10. Capital Raising Committee

Terms of Reference:

The terms of reference of the Committee include:

- To analyze various options for infusion of capital and funds by issue of various securities including equity shares, preference shares, debentures, bonds, BASEL III compliant Tier I & Tier II Instruments, other debt securities, etc.;
- To approve issue of securities in one or more tranches to various potential Investors within the overall limit as approved by the Board/ Shareholders and determine price/price range for the securities;
- To engage/appoint the issue management and issue related agencies;
- To incur necessary expenditure relating to capital and fund raising exercise;
- To perform all activities with regard to fund raising by various methods/ means/options under the authority of Board and Shareholders; and
- To do all such acts, deeds as the Board may delegate in connection with the capital and fund raising exercise.

The Capital Raising Committee met twice during FY 2018-19 on April 25, 2018 and January 31, 2019. The Composition of the Capital Raising Committee and details of participation of the Members at the Meeting of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [@]	No. of Meetings attended
Mr. Ravneet Singh Gill, Chairman (appointed as member w.e.f. March 1, 2019)	MD & CEO	-	-
Mr. Rana Kapoor (ceased as member w.e.f. close of business hours on January 31, 2019)	MD & CEO	2	2
Mr. Vasant Gujarathi (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	1	1
Mr. Ajai Kumar	Non- Executive Non-Independent Director	2	2
Mr. Subhash Chander Kalia (appointed as member w.e.f. January 29, 2019)	Non-Executive Non-Independent Director	1	1

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

11. Board Committee on Willful Defaulters & Non-Cooperative Borrowers

Terms of Reference:

The terms of reference of the Committee include:

- To review and confirm the order of the Committee for Classification of borrowers as 'Non-Cooperative Borrowers' or 'Willful Defaulter';
- To review the status of 'Non-Cooperative Borrowers' or 'Willful Defaulters' at least on half yearly or at such other intervals as may be required by RBI;
- To decide on removal of the names from the list of 'Non-Cooperative Borrowers' or 'Willful Defaulters' as reported to Central Repository of Information of Large Credits (CRILC);
- To review, note and decide on any matter pertaining to 'Non-Cooperative Borrowers' or 'Willful Defaulters'; and
- To review/consider publication of the photographs of borrowers, including proprietors/partners/directors/guarantors of borrower firms/companies, who have been declared as willful defaulters.

The Board Committee on Willful Defaulters and Non-Cooperative Borrowers met twice during FY 2018-19 on April 25, 2018 and January 23, 2019. The Composition of the said Committee and details of participation of the Members at the Meeting of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held [@]	No. of Meetings attended
Mr. Ravneet Singh Gill, Chairman (appointed as member w.e.f. March 1, 2019)	MD & CEO	-	-
Mr. Rana Kapoor (ceased as member w.e.f. close of business hours on January 31, 2019)	MD & CEO	2	2
Mr. Vasant Gujarathi (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	1	1
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) (ceased as member w.e.f. June 12, 2018)	Non-Executive Independent Director	1	1
Mr. Brahm Dutt (appointed as member w.e.f. June 12, 2018 and ceased w.e.f. January 29, 2019)	Non-Executive Independent Director	1	1
Mr. Subhash Chander Kalia (appointed as member w.e.f. November 15, 2018)	Non-Executive Non-Independent Director	1	1

Name of the Member	Category	No. of Meetings held [@]	No. of Meetings attended
Mr. Uttam Prakash Agarwal (appointed as member w.e.f. November 15, 2018)	Additional Director (Independent)	1	1
Mr. Ajai Kumar (appointed as member w.e.f. January 29, 2019)	Non- Executive Non-Independent Director	-	-
Mr. Anil Jaggia (appointed as member w.e.f. January 29, 2019)	Additional Director (Independent)	-	-

Name of the Director	Category	No. of Meetings attended as Invitee
Mr. Subhash Chander Kalia (appointed as Director w.e.f. April 3, 2018)	Non-Executive Non-Independent Director	1

Chairman – MD & CEO and Composition – 40% IDs

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

12. Committee of Independent Directors:

Terms of Reference:

The terms of reference of the Committee include:

- To review the performance of non-independent directors and the Board as a whole;
- To review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
- To submit its report as above to Nominations & Governance Committee and the Board of Directors, as the case may be; and
- To perform such other roles as may be prescribed by the Companies Act, 2013, Listing Agreement, SEBI Regulations, Banking Regulation Act, 1949 and the Circulars/Regulations issued by the Regulatory Authorities from time to time.

The Committee of Independent Directors met twice during FY 2018-19 on April 26, 2018 and September 25, 2018. The Composition of the Committee of Independent Directors and details of participation of the Members at the Meeting of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), Chairman	Non-Executive Independent Director	2	2
Mr. Brahm Dutt	Non-Executive Independent Director	2	2
Mr. Vasant Gujarathi (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	2	2
Mr. Ashok Chawla (ceased as member w.e.f. November 14, 2018)	Non-Executive Independent Director	2	2
Ms. Debjani Ghosh (ceased as a member w.e.f. April 26, 2018)	Non-Executive Independent Director	1	1
Mr. Rentala Chandrashekhar (appointed as member w.e.f. June 12, 2018 and ceased w.e.f. November 15, 2018)	Non-Executive Independent Director	1	1
Dr. Pratima Sheorey (appointed as member w.e.f. June 12, 2018)	Non-Executive Independent Director	1	1

Note: Mr. Anil Jaggia, Mr. Maheswar Sahu, Mr. Thai Salas Vijayan and Mr. Uttam Prakash Agarwal were inducted members of the Committee from the date of their appointment.

SPECIAL PURPOSE COMMITTEE

Search & Selection Committee

The Search & Selection Committee was constituted at the Board Meeting held on September 25, 2018. for limited period with specific purpose of Search & Selection of New MD & CEO and subsequently the same was dissolved on completion of the specified purpose.

Terms of Reference:

The terms of reference of the Committee include:

- i. To guide the Bank on the selection of a suitable Global Leadership Advisory Firm;
- ii. Provide necessary inputs to the nominated Global Leadership Advisory Firm for the search and selection of the MD & CEO; and
- iii. Evaluation of potential candidates and recommendations to the Nomination & Remuneration Committee and the Board for final shortlisting.

Six Search & Selection Committee Meetings were held during FY 2018-19 i.e. on October 11, 2018, October 26, 2018, November 13, 2018, December 12, 2018, December 18, 2018 and January 9, 2019:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Brahm Dutt, Chairman	6	6
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	6	6
Mr. Subhash Chander Kalia	6	6
Mr. Thai Salas Vijayan	6	6
Mr. O.P. Bhatt (ceased as a member w.e.f. November 15, 2018)	3	3

The Committee was subsequently dissolved.

V DISCLOSURES

A) Subsidiary Companies

The Bank did not have any material subsidiary having investment of the Bank during FY 2018-19. The Bank has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations and the same is displayed on the website of the Bank <https://www.yesbank.in/about-us/corporate-governance>.

The Bank has three subsidiaries as of March 31, 2019 viz. YES Securities (India) Limited ('YSIL'), YES Asset Management (India) Limited ('YAMIL') and YES Trustee Limited ('YTL') and the Audited Annual Financial Statements of all the subsidiaries have been provided to the Audit Committee of the Board of the Bank. Further, the minutes of the meetings of the Board of subsidiary companies of the Bank are placed in the meetings of the Board of Directors of the Bank for review. Statement of significant transactions/arrangements entered into by the unlisted subsidiary companies of the Bank are also placed at the meetings of the Board of Directors of the Bank, for its review.

B) Related Party Transactions

There were no materially significant transactions with related parties including promoters, directors, key managerial personnel, subsidiaries or relatives of the Directors during the financial year which could lead to a potential conflict with the interest between the Bank and these parties. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Bank, nor were there any transactions with related parties, which were not on arm's length basis. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The same is displayed on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

C) MD & CEO / CFO Certification

The MD & CEO and the Chief Financial Officer ('CFO') have issued certificate pursuant to the provisions of Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. They also certify that, to the best of their knowledge and belief, no transactions entered

into during the year were fraudulent, illegal or violative of the code of conduct of the Bank, they are responsible for establishment and maintenance of the Internal Financial Controls for financial reporting and they have indicated to the auditors and the Audit Committee about any significant changes in internal control over financial reporting, significant changes in the accounting policies and instances of significant frauds, if any, which they were aware. The said certificate is annexed and forms part of this Annual Report.

D) Code of Conduct and Ethics

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code was last reviewed by the Board at its meeting held on April 26, 2019 and has been hosted on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

The confirmation from the Managing Director & CEO of the Bank regarding compliance with the Code of Conduct and Ethics by all the Directors and Senior Management is annexed and forms part of this Report.

E) Code of Conduct for Prevention of Insider Trading

The Bank has in accordance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 (SEBI Regulations) as amended from time to time, formulated the 'Code of Conduct for Prevention of Insider Trading' in Bank's Securities (Bank's Code) and the 'Code of Conduct for dealing in securities of other Listed and to be Listed entities' and also the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The amended Code is now only applicable to the 'Designated Persons' of the Bank and its Subsidiary companies. The Designated Persons are required to ensure fullest compliance with the Bank's Code at the time of dealing in Bank's Securities, which inter alia includes equity shares and debentures, (by way of Buy/ Sell/ ESOP exercise/ Pledge Creation/ Pledge Revocation and Invocation of Pledge, etc.). The dealing in Securities also covers Securities acquired by way of transmission (as a legal heir/ Gift/ Off-market Transactions, etc.

For the ease of convenience of the employees and as a part of Bank's digitization initiative the reporting mechanism/ process which facilitates employees in reporting of transactions in Securities of the Bank was automated by the Bank and made available to the employees under the head of 'YES ACTS' and can be accessed by the employees through intranet. The said system also helps the Compliance Officer in monitoring of transactions done by Insiders and for sending advisories to the defaulting employees who failed to ensure compliance with the Bank's Code, which may result in monetary implications for defaulting employees as may be decided by the Disciplinary Committee depending on the instance of default. The system also allows employees to submit online disclosures while dealing in the Securities of the Bank, i.e. submission of initial and continual disclosures and obtaining of pre-clearances and also to submit periodic declarations and updating UPSI recipients' database etc.

The Bank has also put in place a 'Code of Conduct for dealing in Securities of other Listed and to be Listed entities by the employees of specified departments ('Grey List Entities') as the employees of such departments might have access to UPSI of Grey List entities for various reasons, viz., Business relationship and exposure, etc.

The Bank has organized various awareness sessions at the Corporate Office for the benefit of employees with a view to enlighten employees about the applicability of the Bank's Code and reporting requirements under the Bank's Code.

F) Whistle-Blower Policy

In compliance with the provisions of Listing Regulations, the Companies Act, 2013 and other applicable laws and in accordance with principles of good corporate governance, the Bank has devised and implemented a vigil mechanism, in the form of 'Whistle-Blower Policy'. The policy devised is also aligned to the recommendations of Protected Disclosure Scheme for Private Sector Banks and Foreign Banks, instituted by RBI.

This policy enables a Whistle-Blower to raise concerns relating to reportable matters (as elucidated in the said policy) such as breach

of Bank's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/ misappropriation of bank funds/ assets, etc., without fear of reprisals and to provide for independent investigation. The framework of the policy endeavors to simplify and smoothen the process for Whistle-Blower and foster responsible reporting, a Whistle-Blower cannot resort to the Whistle-Blower Policy to report his/ her personal grievances.

The policy has been implemented through a web-based 'Corporate Whistle-Blower Initiative' (CWI) portal, which is an independent online reporting service aimed at facilitating secure and anonymous communication between the Bank and Whistle-Blower.

The policy has provisions to safeguard Whistle-Blower against victimization. As a responsible and vigilant organization, the Bank encourages responsible and fearless reporting of genuine concerns or grievances and also provides for direct access to the Chairman of the Audit Committee of the Board, in exceptional cases.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee of the Board regularly. None of the Whistle-Blowers have been denied access to the Audit Committee of the Board. The details of the Whistle-Blower Policy are available on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

G) Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the Listing Regulations, the Board of Directors of the Bank had approved the Dividend Distribution Policy in line with the parameters prescribed thereunder for payment/distribution of dividend to the shareholders. The said Policy has been hosted on the Bank's website under Corporate Governance Section and can be accessed at the link <https://www.yesbank.in/about-us/corporate-governance>.

H) Integrated Reporting

SEBI issued a circular dated February 6, 2017 on 'Integrated Reporting by Listed Entities' advising top-500 listed entities, which are

required to prepare Business Responsibility Report, to adopt Integrated Reporting ('IR') on a voluntary basis from the FY 2017-18 onwards. As a frontrunner in mainstreaming triple bottom line reporting, YES BANK was India's 1st Bank to release its annual report in line with International Integrated Reporting Council's Integrated Reporting (IR) guidelines with Annual Report FY 2015-16. The Bank continues to publish its annual report in line with IR guidelines for FY 2018-19. Additionally, the Bank's Sustainability Report since FY 2015-16 is in alignment with IR guidelines, while adhering to globally accepted sustainability reporting guidelines by Global Reporting Initiative ('GRI'). The Bank's Sustainability Report is hosted on the Bank's website at <https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report>.

I) Strictures and Penalties

During the last three years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market.

However, SEBI had issued a show cause notice dated June 16, 2017 to the Bank under Section 15-I of SEBI Act, 1992 and Section 23-I of the Securities Contracts (Regulation) Act, 1956, to inquire into and adjudge alleged violation of SEBI (LODR) Regulations, 2015, in respect of the withdrawn QIP in September 2016. Pursuant thereto, the Bank filed an application under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. SEBI vide its Settlement Order dated June 29, 2018 disposed of the adjudication proceedings initiated against the Bank and the Bank paid ₹40 lakh 80 thousand without admitting or denying the violation.

J) Human Rights – Best Practices

YES BANK recognizes the valuable role that business can play in the protection of human rights and is committed to respect and support the dignity, well-being and human rights of all stakeholders in line with internationally recognized frameworks. YES BANK is committed to developing a culture which inculcates respect & support for Human Rights. YES BANK is the first Indian Banking sector signatory to UN Global Compact.

The Bank continues to abide by the 10 Principles of the Compact covering four major dimensions: human rights, labor, environment and anti-corruption, and uses them as the foundation for building its sustainable practices within the Bank's operation.

K) Green Initiative in Corporate Governance

The Bank has promoted the 'Green Initiative' proposed by the Ministry of Corporate Affairs and the Bank has been effecting the electronic delivery of Notice of AGM and Annual Report to the shareholders whose E-mail IDs are registered with the respective Depository Participant(s). The Companies Act, 2013 and Rules thereunder and Listing Regulations provide for circulation of Financial Statements electronically to the shareholders.

The Bank has initiated and implemented successfully the process of conducting the Board and Committee meetings using Ipads based e-meeting application and web based meeting tool in paperless form. This initiative of the Bank has resulted in considerable saving on paper and expenditure.

The Bank has also implemented electronic platform for reporting of transactions in securities of the Bank in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct for Prevention of Insider Trading.

Shareholders have been requested on several occasions to update their e-mail IDs with their Depository Participant(s) to help accelerate the Bank's migration to paperless compliances.

L) Compliance with Mandatory Requirements of the Listing Regulations

The Board of Directors reviews the compliance with all applicable laws on a quarterly basis. Your Bank has compliance framework for adherence to the mandatory requirements of Corporate Governance norms as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Bank. The Bank has obtained certificate affirming the Compliances with these regulations from M/s. Mehta & Mehta,

Company Secretaries and forms part of this Report. It may be noted that M/s. Mehta & Mehta in their said certificate has confirmed that the Bank has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

M) Compliance with the Non-mandatory Requirements of the Listing Regulations

In addition to the mandatory requirements, the Bank has also adopted the following non-mandatory requirements as suggested in Regulation 27(1) of the Listing Regulations:

(i) Shareholders' Rights

The Bank has sent mid-year communication to the shareholders' consisting of half-yearly financial results and other updates on financial/overall performance of the Bank during the half-year ended September 30, 2018 of FY 2018-19.

(ii) Un-Modified Opinion(s) in Audit Report

The Auditors have expressed an unmodified opinion on the financial statements of the Bank.

(iii) Separate posts of Chairman and CEO

The Bank has separate positions of the Non-Executive (Independent) Part-Time Chairman and the Managing Director & CEO of the Bank.

(iv) Reporting of Internal Auditors

The Internal Auditors of the Bank reports directly to the Audit Committee.

N) Disclosure of commodity price risks and commodity hedging activities.

- ▲ Information on the commodity price risk or foreign exchange risk and hedging activities in the Bank

The Bank has Board approved Market Risk policy which defines risk control framework for undertaking any Commodity price risk and Foreign exchange risk. Vide Market Risk policy, Board of the

Bank has defined overall Net Overnight Open Position (NOOP) Limit, Stop Loss Limit, Aggregate Gap limit (AGL), Value at Risk (VaR) limit to control the Commodity Price/Foreign exchange risk within its risk control framework. The Bank has not undertaken any commodity price risk during the period. The Bank has undertaken all commodity transactions on back to back basis. Further, the Bank has not exceeded any of its Board approved risk limit framework with respect to Foreign Exchange Risk during the period.

The Bank uses Derivatives including Forwards & swaps for hedging its currency risk in its balance sheet,

customer offerings and proprietary trading in compliance with overall risk limit and control framework. The management of these products and businesses is governed by Board approved Market Risk Policy, Investment Policy, Derivatives Policy, Hedging Policy and ALM policy of the Bank.

- ▲ Whether the commodity price risks and commodity hedging activities are disclosed to the shareholders/publically

The Bank has not undertaken any commodity price risk during the period. The Bank has undertaken all commodity transactions on back to back basis.

O) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Numbers
Number of complaints filed during the financial year	10
Number of complaints disposed of during the financial year	8
Number of complaints pending as on the end of the financial year	2

VI SHAREHOLDERS INFORMATION

A) Changes in Equity Share Capital of the Bank:

As on March 31, 2019 the paid-up equity share capital of the Bank was ₹4,630,066,078/- consisting of 2,315,033,039 equity shares of ₹2/- each.

The table below gives details of equity evolution of the Company during the year under review:

Date of Allotment	Type of Issue	No. of Equity Shares Allotted	Face Value (in ₹)	Cumulative Equity Share Capital (No. of shares)
April 18, 2018	ESOPs	1,615,350	2.00	2,304,582,595
May 21, 2018	ESOPs	582,550	2.00	2,305,165,145
June 22, 2018	ESOPs	547,950	2.00	2,305,713,095
July 18, 2018	ESOPs	627,200	2.00	2,306,340,295
August 21, 2018	ESOPs	1,786,325	2.00	2,308,126,620
September 18, 2018	ESOPs	1,151,225	2.00	2,309,277,845
October 12, 2018	ESOPs	1,881,115	2.00	2,311,158,960
November 15, 2018	ESOPs	793,925	2.00	2,311,952,885
December 12, 2018	ESOPs	361,890	2.00	2,312,314,775
January 9, 2019	ESOPs	540,856	2.00	2,312,855,631
February 14, 2019	ESOPs	970,330	2.00	2,313,825,961
March 15, 2019	ESOPs	1,207,078	2.00	2,315,033,039

B) Dividend

The Board of Directors of the Bank at its meeting held on April 26, 2019 has recommended payment of dividend of ₹2 per equity share (100%) of face value of ₹2 each fully paid-up for the financial year ended March 31, 2019, for the approval of the Members at the 15th AGM of the Bank (Previous Year ₹2.70 per equity share (135%) of face value ₹2 each fully paid-up). If approved, the dividend shall be paid on or after June 13, 2019.

Modes of making payment of Dividend through electronic mode:

As mandated in Listing Regulations, listed companies shall require to make all payments to investors including dividend to the shareholders, by using any of the electronic

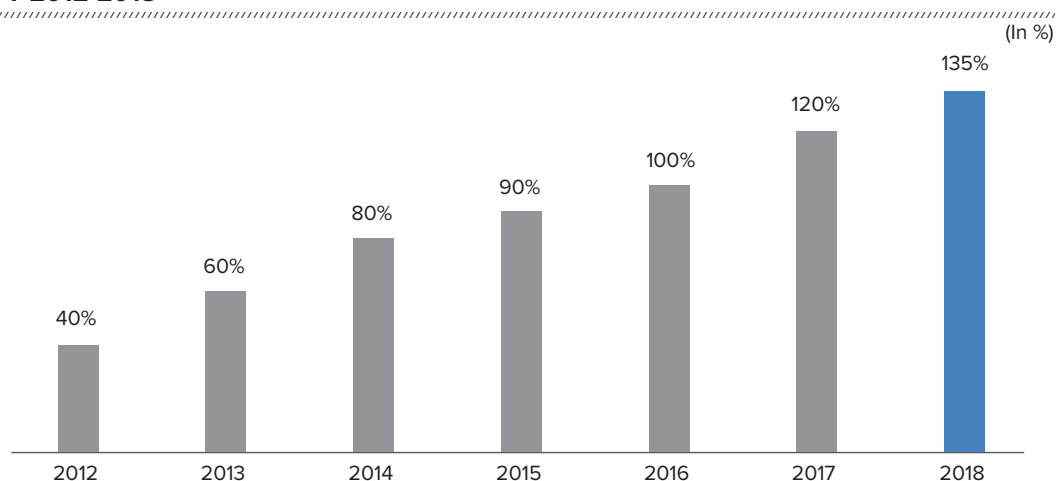
mode of payment facility approved by the Reserve Bank of India viz., NACH/ Direct Credit/ RTGS / NEFT, etc.

In order to receive the dividend on time, all the eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participants, before May 31, 2019, their correct Bank Account Number, including 9 Digit MICR Code and 11 Digit IFSC Code, e-mail ID and Mobile numbers. This will facilitate the remittance of the dividend amount directly in the bank account of the shareholder electronically.

In case dividend payment by electronic mode is not executed for any reason, the Bank shall issue a Demand Draft.

The Dividend History of the Bank for past seven years is given below:

FY 2012-2018



Unclaimed Dividend

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid /unclaimed for a period of 7 (Seven) years, thereon, from the date of transfer of such Dividend to the Unpaid Dividend Account. Once such amounts are transferred to IEPF, no

claim of the shareholder shall lie against the Bank. However, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). Dividends for and upto the financial year ended March 31, 2011 have already been transferred to the IEPF and dividend for the financial year ended March 31, 2012 shall be transferred to IEPF after the due date i.e. August 12, 2019.

The details of unclaimed dividends for FY 2011-12 onwards and the last date for claiming such dividends are given below:

Dividend for the year ended	Date of Declaration of Dividend	Last date of claiming Dividend
March 31, 2012	July 14, 2012	August 12, 2019
March 31, 2013	June 8, 2013	July 9, 2020
March 31, 2014	June 14, 2014	July 17, 2021
March 31, 2015	June 6, 2015	July 5, 2022
March 31, 2016	June 7, 2016	July 6, 2023
March 31, 2017	June 6, 2017	July 5, 2024
March 31, 2018	June 12, 2018	July 11, 2025

Shareholders who have not encashed their dividend warrants relating to the dividends as specified above are advised to send their request letter for payment of unclaimed dividend to Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited) or Nodal officer of the Bank Mr. Shivanand R. Shettigar. The details of unpaid/unclaimed dividends are available on the website of the Bank <https://www.yesbank.in/about-us/investors-relation/shareholder-information/ir-regulations>.

Transfer of 'Underlying Shares' in respect of which dividend has not been claimed for seven consecutive years or more, to the IEPF

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, members are requested to note that the shares in respect of which dividends have been unpaid or unclaimed for seven consecutive years or more shall be credited to the IEPF Demat Account maintained with depositories. Upon transfer of such shares, all benefits (e.g. bonus, spilt etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In this connection, the Bank had sent intimation letters to members in respect of the shares on which dividend had remained

unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend so as to avoid the corresponding shares being transferred to the IEPF authority. Simultaneously, an advertisement to this effect was published in leading English and vernacular newspapers.

The aforesaid Rules also prescribe the procedure to be followed by an investor to claim the Shares/Dividend amount transferred to IEPF. Shares which are transferred to the IEPF Demat Account can be claimed back by the shareholder from IEPF Authority by following the procedure prescribed under the aforesaid rules.

The information pertaining to unpaid/unclaimed dividends for last seven years and the details of such members whose unclaimed dividend/shares have been transferred to IEPF Authority is also available on the Bank's website <https://www.yesbank.in/about-us/investors-relation/shareholder-information/ir-regulations>.

Intimation to the Investors for claiming of dividends

Intimation has been sent to the relevant shareholders at regular intervals for encashing of unclaimed dividend on equity shares declared by the Bank from time to time and corresponding equity shares.

C) General Body Meetings and Postal Ballot

General Meetings

The details of the last three Annual General Meeting(s) of the Bank and the special resolutions passed thereat are given below:

Year	Location	Day, Date and time	Special Resolution
2018	Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018	Tuesday, June 12, 2018 at 11.00 a.m.	<ul style="list-style-type: none"> - Approval for increase in the borrowing limits from ₹70,000 crore to ₹110,000 crore. - Approval for borrowing/ raising funds in Indian/ foreign currency by issue of debt securities upto ₹ 30,000 crore (the 'NCDs') to eligible investors on private placement basis. - Approval for raising of capital upto USD 1 billion by issue of shares or convertible securities in one or more tranches provided however that the aggregate amount raised shall not result in increase of the issued and subscribed equity share capital of the Bank by more than 10% of the then issued and subscribed equity shares of the Bank. - Approval of Employee Stock Option Scheme of the Bank i.e. 'YBL ESOS – 2018'. - Approval for extending the benefits of Employee Stock Option Scheme of the Bank to the eligible Employees of the Subsidiary Companies of the Bank.
2017	Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018	Tuesday, June 6, 2017 at 4:00 p.m.	<ul style="list-style-type: none"> - Approval for increase in the borrowing limits from ₹50,000 crore to ₹70,000 crore. - Approval for borrowing/ raising funds in Indian/ foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium-Term Notes), bonds upto ₹20,000 crore to eligible investors on private placement basis.
2016	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018	Tuesday, June 7, 2016 at 11.00 a.m.	<ul style="list-style-type: none"> - Approval for raising of capital upto USD 1 billion by issue of shares or convertible securities in one or more tranches provided however that the aggregate amount raised shall not result in increase of the issued and subscribed equity share capital of the Bank by more than 15% of the then issued and subscribed equity shares of the Bank. - Approval for borrowing/raising funds in Indian/ foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium-Term Notes), bonds upto ₹10,000 crore to eligible investors on private placement basis.

Postal Ballot

During the year, no matters were transacted through postal ballot. No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Bank.

D) Investor Grievance Redressal

Shareholders' Complaints during FY 2018-19:

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2018	4
Investor complaints received during the year ended March 31, 2019	1,407
Investor complaints resolved during the year ended March 31, 2019	1,384
Investor complaints pending as on March 31, 2019	27

Shareholders' Requests during FY 2018-19:

Particulars	No. of Requests
Investor requests pending as at April 1, 2018	8
Investor requests received during the year ended March 31, 2019	795
Investor requests resolved during the year ended March 31, 2019	790
Investor requests pending as on March 31, 2019	13

The Bank receives investor complaints through various sources and informs the Stakeholders Relationship Committee of the Board on the resolution and redressal of the complaints, and also to the Board on quarterly basis. The Bank receives investor complaints from Stock Exchanges, SEBI Complaints Redress System (SCORES), Registrar of Companies, Mumbai, through the Bank's Registrar and Transfer Agents, directly from investors' correspondence and from the investors' personal visits to the Bank.

The Bank has designated E-mail IDs namely shareholders@yesbank.in for Equity investors and bondholders@yesbank.in for bond holders for reporting complaints/grievances. The said email IDs are also displayed on the website of the Bank.

E) Queries at Annual General Meeting

Shareholders desiring any information with regard to the accounts are requested to write to the Bank at an early date so as to enable the management to keep the information ready. The queries relating to operational and financial performance may be raised at the AGM.

The Bank provides the facility of Investor Helpdesk at the AGM. Shareholders may post their queries relating to shares, dividends etc., at this Investor-Helpdesk.

The Shareholders can post Questions/Comments at the time of AGM (till the end of

the meeting) and view the answers for the same during the live webcast of AGM.

F) Means of Communication

The Bank has provided adequate and timely information to its members *inter-alia* through the following means:

- ▲ Quarterly Results are announced through a Press Conference and a Press Release sent to leading media publications. The results are also communicated through newspaper advertisements in prominent national and regional dailies like the Economic Times, Mint, DNA, Financial Express, Free Press Journal as well as important investor magazines such as Dalal Street and Capital Market. The statutory advertisements are released in Navshakti and the Hindu Business Line.
- ▲ The financial results, official news releases and presentations are also displayed on the website of the Bank (www.yesbank.in)
- ▲ The presentations made to institutional investors and financial analysts on the Company's financial results are displayed on the website of the Bank (www.yesbank.in). The Bank also informs the Schedule of meeting with the institutional investors and financial analysts to the Stock Exchanges.
- ▲ The financial and other information filed by the Bank from time to time is also available on the websites of the Stock

Exchanges, i.e., BSE Limited (BSE) at www.bseindia.com and the National Stock Exchange of India Limited (NSE) at www.nseindia.com. NSE and BSE have introduced online platforms for filing of announcements and other compliance returns viz., NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, respectively. Various compliances as required/prescribed under the Listing Regulations are filed through these systems.

- ▲ Filings are also made to the London Stock Exchange, Singapore Stock Exchange and India International Exchange IFSC Limited.
- ▲ The Bank has established systems and procedures to disseminate relevant information to its stakeholders, including shareholders, analysts, suppliers, customers, employees and the society at large. It also conducts earning calls with analysts and investors
- ▲ Documents like Notices of general meetings, Annual Reports, ECS advises for dividends, etc. are sent to the shareholders at their e-mail address, as registered with their Depository Participants/ Company/ Registrar & Transfer Agents (RTA). This helps prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.
- ▲ The Bank also publishes its quarterly/ half-yearly and annual Financial Results in newspaper(s) as required in terms of Section 31 of the Banking Regulation Act, 1949 and Rule 15 of the Banking Regulation (Companies) Rules, 1949.

G) Shareholders Satisfaction Survey

A Shareholder Satisfaction Survey was conducted by the Bank during the year to assess the overall service standards of the Bank. The findings of the same were placed before the meeting of the Stakeholders Relationship Committee held in July 2018.

H) Certificate under Regulation 34(3) of SEBI Listing Regulations

The Bank has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from M/s. U. Hedge & Associates, Practising Company Secretaries, confirming that none of the Directors on

the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate forms part of this report.

I) Fees paid to Statutory Auditors

The total fees incurred by the Bank and its subsidiaries on a consolidated basis, for services rendered by Statutory auditors and its affiliates entities, is given below:

Particulars	₹ in million
	FY 2018-19
Audit Fees	21.70
Statutory Certificates	1.01
Reimbursement of Expenses	0.50
Total	23.21

J) Details of utilization of funds

During the year under review, there were no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations.

K) Policies of the Bank

As a part of good Corporate Governance, the Bank has from time to time adopted various policies/codes which are hosted on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

L) Credit Ratings and Change/ Revisions in Credit Ratings for Debt Instruments

- ▲ 'CARE AA; Credit watch with developing implications' (Double A; Credit watch with developing implications) rating from CARE to the Additional Tier – I Basel III Compliant Bond Issue of the Bank;
- ▲ 'CARE AA+; Credit watch with developing implications' (Double A plus; Credit watch with developing implications) rating from CARE to the Basel III Compliant Tier II Bond Issue of the Bank;
- ▲ 'CARE AA; Credit watch with developing implications' (Double A; Credit watch with developing implications) rating from CARE to the Tier I Perpetual Bond Issue of the Bank;

- ▲ 'CARE AA; Credit watch with developing implications' (Double A; Credit watch with developing implications) rating from CARE to the Upper Tier II Issue of the Bank;
- ▲ 'CARE AA+; Credit watch with developing implications' (Double A plus; Credit watch with developing implications) rating from CARE to the Lower Tier II Issue of the Bank;
- ▲ 'CARE AA+; Credit watch with developing implications' (Double A plus; Credit watch with developing implications) rating from CARE to the Infrastructure Bond Issue of the Bank;
- ▲ '[ICRA]AA- (hyb); Rating watch with negative implications' (ICRA Double A minus Hybrid; Outlook: Rating watch with negative implications) rating from ICRA to the Additional Tier – I Basel III Compliant Bond Issue of the Bank;
- ▲ '[ICRA]AA (hyb); Rating watch with negative implications' (ICRA Double A Hybrid ; Outlook: Rating watch with negative implications) rating from ICRA to the Basel III Compliant Tier II Bond Issue of the Bank;
- ▲ '[ICRA]AA-; Rating watch with negative implications' (ICRA Double A minus; Outlook: Rating watch with negative implications) rating from ICRA to the Tier I Perpetual Bond Issue of the Bank;
- ▲ '[ICRA]AA-; Rating watch with negative implications' (ICRA Double A minus; Outlook: Rating watch with negative implications) rating from ICRA to the Upper Tier II Issue of the Bank;
- ▲ '[ICRA]AA; Rating watch with negative implications' (ICRA Double A ; Outlook: Rating watch with negative implications) rating from ICRA to the Lower Tier II Issue of the Bank;
- ▲ '[ICRA]AA; Rating watch with negative implications' (ICRA Double A ; Outlook: Rating watch with negative implications) rating from ICRA to the Infrastructure Bond Issue of the Bank;
- ▲ '[ICRA]A1+; (ICRA A one plus) rating from ICRA to the Certificate of Deposit Programme of the Bank;
- ▲ '[ICRA]A1+; (ICRA A one plus) rating from ICRA to the Short Term Fixed Deposit Programme of the Bank;
- ▲ 'IND AA; Negative' (Double A; Outlook: Negative) rating from India Ratings to the Additional Tier I Basel III Compliant Bond Issue of the Bank;
- ▲ 'IND AA+; Negative' (Double A Plus; Outlook: Negative) rating from India Ratings to the Basel III Compliant Tier II Bond Issue of the Bank;
- ▲ 'IND AA+; Negative' (Double A Plus; Outlook: Negative) rating from India Ratings to the Infrastructure Bond Issue of the Bank;
- ▲ Ba1; Outlook: Stable rating from Moody's Investors Service to the Long term rating of the bank;
- ▲ NP rating from Moody's Investors Service to the Short term rating of the bank
- ▲ 'BWR AA+; Credit watch with developing implications' (BWR Double A Plus; Outlook: Credit watch with developing implications) rating from Brickworks to the Tier I Perpetual Bond Issue of the Bank;
- ▲ 'BWR AA+; Credit watch with developing implications' (BWR Double A Plus; Outlook: Credit watch with developing implications) rating from Brickworks to the Upper Tier II Issue of the Bank; and
- ▲ 'BWR AA+; Credit watch with developing implications' (BWR Double A Plus; Outlook: Credit watch with developing implications) rating from Brickworks to the Lower Tier II Issue of the Bank.

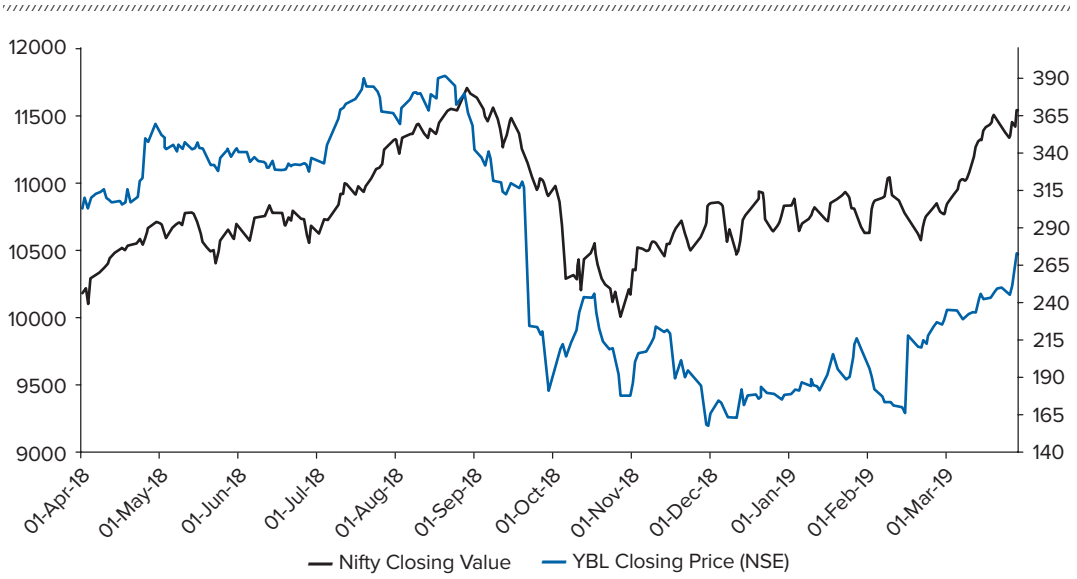
M) General Shareholders Information

Day, Date, Time and Venue of the Annual General Meeting	Wednesday, June 12, 2019 at 11.00 a.m. Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018.
Financial Year	April 1, 2018 to March 31, 2019
Date of Book Closure	Thursday, June 6, 2019 to Wednesday, June 12, 2019 (both days inclusive)
Dividend Payment Date	Will be paid on or after Thursday, June 13, 2019
Listing on Stock Exchanges	<p>Listing on Indian Stock Exchanges:</p> <ol style="list-style-type: none"> BSE Limited (Equity Shares & Debt Securities) Add: Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 National Stock Exchange of India Limited (Equity Shares) Add: Exchange Plaza, Plot No. C – 1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 <p>Notes:</p> <ol style="list-style-type: none"> Listing Fees for FY 2019-20 has been paid to the above mentioned stock exchanges. The equity shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory/ Statutory Authority <p>International Listing (Medium-Term Note):</p> <ol style="list-style-type: none"> The Singapore Exchange Securities Trading Limited Add – 2, Shenton Way #02-02, SGX Centre 1, Singapore – 068804 The London Stock Exchange International Securities Market Add: 10 Paternoster Square London EC4M 7LS United Kingdom India International Exchange IFSC Limited Add: 1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382 355, India.
Stock Code	BSE : 532648 NSE : YESBANK
ISIN	INE528G01027

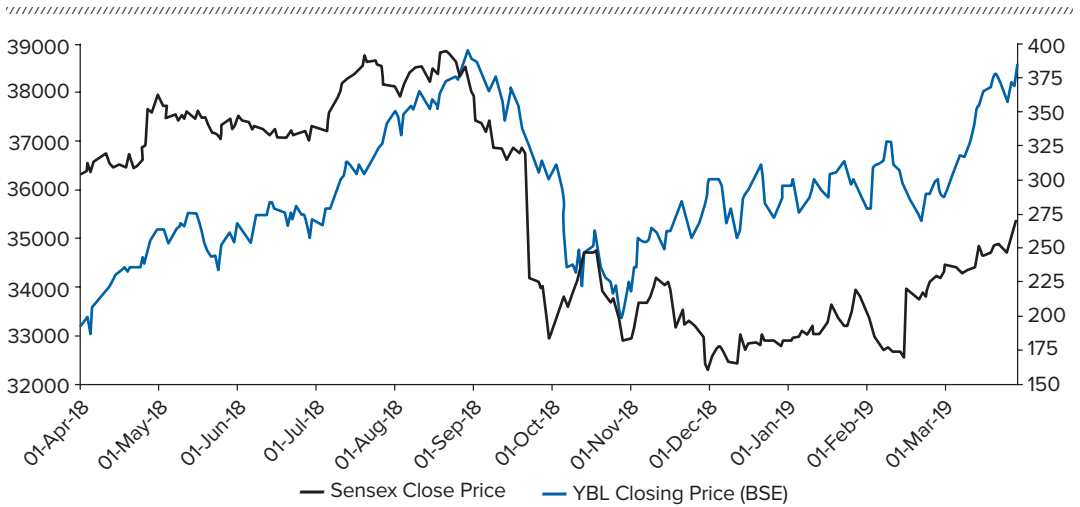
Market Price Data: High, Low during each month in last financial year:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-18	369.00	303.60	374,537,093	368.75	303.30	28,766,895
May-18	364.70	325.60	219,774,113	364.40	325.70	10,967,186
Jun-18	350.90	327.30	169,592,710	350.10	327.35	14,441,672
Jul-18	394.35	332.35	301,206,342	393.35	332.45	15,267,780
Aug-18	404.00	336.25	357,430,772	404.00	338.00	18,666,053
Sep-18	348.00	165.00	1,151,080,075	350.00	166.15	77,946,975
Oct-18	268.95	168.60	1,172,274,128	268.45	168.60	94,600,562
Nov-18	230.85	146.75	1,347,639,115	231.40	147.00	124,982,184
Dec-18	193.20	160.00	1,094,251,220	194.30	160.20	101,000,815
Jan-19	245.00	181.00	1,379,229,713	236.30	181.15	121,866,300
Feb-19	236.80	168.10	1,282,472,819	236.90	167.65	107,877,882
Mar-19	281.50	228.65	667,861,552	281.30	228.80	58,026,987

PERFORMANCE OF THE BANK'S EQUITY SHARES AS COMPARED WITH NSE NIFTY INDICES DURING THE FY. 2018-19



PERFORMANCE OF THE BANK'S EQUITY SHARES AS COMPARED WITH S&P BSE SENSEX DURING THE FY 2018-19



Registrar and Transfer Agents

EQUITY

Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited)

Add: Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032.

Tel: 040 – 6716 2222

Fax: 040 – 2300 1153

Contact Person: Ms. Shobha Anand/Mr. Revanth Yeeravalli

E-mail: einward.ris@karvy.com

DEBT

Link Intime India Pvt. Ltd.,

Add: C 101, 247 Park, L B S Marg,

Vikhroli West,

Mumbai – 400 083,

Tel: +91 22 4918 6000,

Fax: +91 22 4918 6060,

Contact Person: Mr. Ganesh Jadhav/Mr. Sharad Amin,

E-mail: mumbai@linkintime.co.in

MEDIUM-TERM NOTE

The Hongkong and Shanghai Banking Corporation Limited

Add – Level 30, HSBC Main Building

1 Queen's Road Central

Hong Kong

Share Transfer System

The Board has delegated the authority for approving transfer, transmission, etc. of the Bank's securities to the Managing Director & CEO and the Company Secretary.

The Bank's shares are traded under compulsory dematerialized mode. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges.

Updation of Permanent Account Number (PAN) and Bank Details

Members' attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018 pursuant to which the Bank has written to shareholders holding shares in physical form requesting them to furnish their PAN and Bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Bank's request in this regard are once again requested to take action in the matter at the earliest.

Further, Members who hold shares in physical form are advised that SEBI has mandated to furnish a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit, as mandated by SEBI, has been carried out by Company Secretary in Practice on quarterly basis, and reports on the reconciliation of total issued and listed capital with that of total share capital admitted/ held in dematerialized form with NSDL and CDSL and those held in physical form.

The Report in this regard has been submitted to stock exchanges viz., BSE Ltd. and National Stock Exchange of India Ltd. on quarterly basis and being placed before the Board of Directors of the Bank for its review.

Distribution of Shareholding as on March 31, 2019

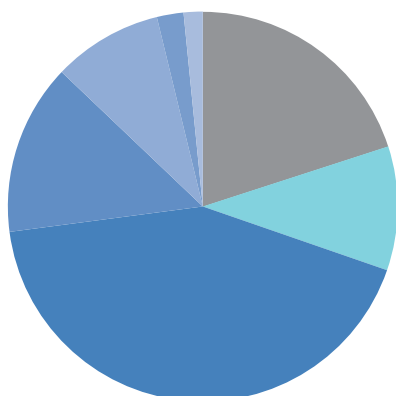
Category (Amount)	No. of shareholders	%	Total Shares	Amount in ₹	% of Amount
Up to 5,000	761,024	98.97	1,94,881,068	389,762,136	8.42
5,001 – 10,000	4,007	0.52	28,924,290	57,848,580	1.25
10,001 – 20,000	1,817	0.24	25,544,080	51,088,160	1.1
20,001 – 30,000	551	0.07	13,587,142	27,174,284	0.59
30,001 – 40,000	276	0.04	9,743,629	19,487,258	0.42
40,001 – 50,000	184	0.02	8,344,401	16,688,802	0.36
50,001 – 100,000	329	0.04	23,444,169	46,888,338	1.01
100,001 & Above	766	0.1	2,010,564,260	4,021,128,520	86.85
TOTAL	768,954	100	2,315,033,039	4,630,066,078	100

Shareholding Pattern as on March 31, 2019

Sr. No.	Category of shareholders	No. of shares	%
I	Promoter & Promoter Group		
1(a)	Rana Kapoor	100,000,000	4.32
1(b)	YES Capital (India) Private Limited	75,625,000	3.27
1(c)	Morgan Credits Private Limited	70,250,000	3.03
2(a)	Madhu Kapur	175,275,000	7.57
2(b)	Mags Finvest Pvt. Ltd.	37,215,025	1.61
	Total	458,365,025	19.80
II	Other Institutions		
	Mutual Funds/UTI	220,932,584	9.54
	Financial Institutions/Banks	3,472,014	0.15
	Insurance Companies	257,080,989	11.10
	Foreign Portfolio Investors	933,732,877	40.33
III	Other Non-Institutions		
	Bodies Corporate	58,513,858	2.53
IV	Individuals		
	(i) Individuals holding nominal share capital upto ₹2 lakh	257,564,441	11.13
	(ii) Individuals holding nominal share capital in excess of ₹2 lakh	65,556,112	2.83
V	Trusts	11,098,315	0.48
VI	Non-Resident Indians	206,190,73	0.89
VII	H U F	7,365,612	0.32
VIII	Clearing Members	16,340,940	0.71
IX	Foreign Nationals	1,235	0.00
X	NBFCs registered with RBI	1,70,595	0.01
XI	Alternative Investment Fund	4,097,090	0.18
XII	IEPF	1,18,511	0.01
	Total	2,315,033,039	100.00

SHAREHOLDING PATTERN

(%)



● Promoter & Promoter Group	19.80
● Mutual Funds	9.54
● Foreign Institutional Investors	40.33
● Insurance Companies	11.10
● Individuals	13.96
● Bodies Corporate	2.53
● Others	2.74

List of Shareholders holding more than 1% shares in the Bank as on March 31, 2019

Sr. No.	Name	No. of shares	%
Promoter & Promoter Group			
1(a)	Rana Kapoor	100,000,000	4.32
1(b)	YES Capital (India) Private Limited	75,625,000	3.27
1(c)	Morgan Credits Private Limited	70,250,000	3.03
2(a)	Madhu Kapur	175,275,000	7.57
2(b)	Mags Finvest Pvt. Ltd.	37,215,025	1.61
Others			
3	Life Insurance Corporation of India along with its various schemes	205,530,999	8.88
4	Jasmine Capital Investments PTE. Ltd.	49,145,641	2.12
5	College Retirement Equities Fund - Stock Account	43,265,824	1.87
6	WF Asian Smaller Companies Fund Limited	38,357,392	1.66
7	SBI along with its various schemes	37,325,575	1.61
8	UTI along with its various schemes	37,253,279	1.61
9	Government Pension Fund Global	35,944,985	1.55
10	Franklin Templeton Mutual Fund	32,674,728	1.41
11	T. Rowe Price Emerging Markets Stock Fund	31,625,432	1.37
12	Vanguard Emerging Markets Stock Index Fund, A Series	26,771,413	1.16
13	Vanguard Total International Stock Index Fund	26,465,216	1.14
14	HDFC Trustee Company Ltd. along with its various schemes	24,386,181	1.05
15	Vontobel Fund - MTX Sustainable Asian Leaders (Ex	24,236,974	1.05

Dematerialization of shares and liquidity	<p>As on March 31, 2019, the Share Capital of the Bank was held in the dematerialized form comprising of 2,314,929,754 Equity Shares of Face Value ₹2 each (99.99%), out of which (94.99%) with NSDL and (5.01%) with CDSL and 103,285 shares were being held in physical form (0.01%).</p> <p>Shareholders are requested to convert their physical holdings into electronic holdings which will negate risks associated with physical certificates.</p> <p>Further, SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) 2015, mandating transfer of securities to be carried out only in dematerialised form with effect from December 5, 2018. Thereafter, SEBI has extended the deadline for transfer of securities only in Demat mode effective from April 1, 2019. The aforesaid requirements were brought to the notice of the shareholders' and also been hosted on the website of the Bank www.yesbank.in</p>
Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Bank does not have any Outstanding GDRs/ ADRs/ Warrants or any other Convertible instrument as on date.
Commodity price risk or foreign exchange risk and hedging activities	The information on the Commodity price risk or foreign exchange risk and hedging activities is explained elsewhere in this report.
Plant Locations	As the Bank is engaged in the business of banking/financial services, there is no plant location.
Debenture Trustees:	<p>IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 Contact Person: Mr. Sunny Nihalani, Vice President Phone No.: 022 – 4080 7001 Fax No.: 022 – 6631 1776</p> <p>Axis Trustee Services Limited Axis House, Ground floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 Contact Person: Mr. Ankit Singhvi, Senior Manager Phone No.: 022 – 6226 0084 Fax No.: 022 – 2425 4200</p>
Address of the Compliance Officer	Mr. Shivanand R. Shettigar, Group Company Secretary YES Bank Tower, IFC 2, 15 th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013 Phone No.: 022 - 3366 9000 / 3347 8301 Fax No.: 022 – 2421 4500 E-mail: shareholders@yesbank.in

For and on behalf of the Board of Directors

Ravneet Singh Gill
Managing Director & CEO
(DIN: 00091746)

Brahm Dutt
Chairman
(DIN: 05308908)

Place: Mumbai
Date: April 26, 2019

Compliance with the Code of Conduct and Ethics

I confirm that all Directors and members of the Senior Management have affirmed compliance with YES BANK Code of Conduct and Ethics.

For **YES BANK Limited**

Ravneet Singh Gill

Managing Director & CEO
(DIN No.: 00091746)

Place: Mumbai
Date: April 26, 2019

CEO / CFO Certification

We, Ravneet Singh Gill, Managing Director & CEO and Raj Ahuja, Group Chief Financial Officer, of YES Bank Limited (the 'Bank') hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 of the Bank and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated, to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Yours faithfully

Ravneet Singh Gill

Managing Director & CEO
(DIN: 00091746)

Raj Ahuja

Group Chief Financial Officer

Place: Mumbai
Date: April 26, 2019

Certificate on Corporate Governance

To,
The Members,
YES BANK Limited

We have examined the compliance of conditions of Corporate Governance by Yes Bank Limited (hereinafter referred as 'Company') for the Financial year ended March 31, 2019 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations').

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No.: 5782
CP No.: 2486

Place: Mumbai
Date: April 26, 2019

Certificate under Regulation 34(3) of SEBI Listing Regulations

Based on my scrutiny of the records, documents and information provided by YES BANK Limited (the 'Bank'), CIN-L65190MH2003PLC143249, having its registered office at YES Bank Tower, IFC – II, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, for verification and disclosures and declarations given by the Directors to the Bank under applicable statutes and also based on the verification of facts regarding the Board of Directors of the Bank, available in the public domain, I, hereby certify that the none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

For **U. Hegde & Associates, Company Secretaries,**

Umashankar K Hegde

(Proprietor)

M.No.: ACS 22133

CP.No.: 11161

Date: April 26, 2019

Place: Mumbai

FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS

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Independent Auditor's Report

To the Members of
YES BANK Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of YES BANK Limited (the 'Bank'), which comprise the standalone balance sheet as at 31 March 2019, the standalone profit and loss account, the standalone cash flow statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2019, and profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under

Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the standalone financial statements* Section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 18.7.17 to the standalone financial statements which describes the ongoing enquiry by the Bank into certain anonymous whistle-blower allegations.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How the matter was addressed in our audit

Identification of Non-Performing Assets ('NPAs') and Provisions on Advances

Charge: ₹20,836 million for year ended 31 March 2019

Provision: ₹33,977 million at 31 March 2019

Refer to the accounting policies in the Financial Statements: Significant Accounting Policies – use of estimates" and "Note 18.4.3 to the Financial Statements: Advances"

Key audit matter	How the matter was addressed in our audit
<p>Significant estimates and judgment involved</p> <p>Identification of NPAs and provisions in respect of NPAs and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to and guided by the minimum provisioning levels prescribed under the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time.</p> <p>The provision on NPA are also based on the valuation of the security available. In case of restructured accounts, provision is made for erosion/diminution in fair value of restructured loans, in accordance with the RBI guidelines. In addition, the contingency provision that the Bank has established in the current year on assets currently not classified as NPAs is based on management's judgment.</p> <p>We identified identification of NPAs and provision on advances as a key audit matter because of the level of management judgment involved in determining the provision (including the provisions on assets which are not classified as NPAs) and the valuation of the security of the NPA loans and on account of the significance to these estimates to the financial statements of the Bank.</p>	<p>Our key audit procedures included:</p> <p>Design/controls</p> <p>Assessing the design, implementation and operating effectiveness of key internal controls over approval, recording and monitoring of loans, monitoring process of overdue loans (including those which became overdue subsequent to the reporting date), measurement of provisions, identification of NPA accounts and assessing the reliability of management information (including overdue reports). In addition, for corporate loans we tested controls over the internal ratings process, monitoring of stressed accounts including credit file review processes and review controls over the approval of significant individual impairment provisions.</p> <p>Evaluated the design, implementation and operating effectiveness of key internal controls over the valuation of security for NPAs and the key controls over determination of the contingency provision including documentation of the relevant approvals along with basis and rationale of the provision.</p> <p>Testing of management review controls over measurement of provisions and disclosures in financial statements.</p> <p>Involving our information system specialists in the audit of this area to gain comfort over data integrity and calculations, including system reconciliations.</p> <p>Substantive tests</p> <p>Test of details for a selection of exposures over calculation of NPA provisions including valuation of collaterals for NPAs as at 31 March 2019; the borrower-wise NPA identification and provisioning determined by the Bank and also testing related disclosures by assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning.</p> <p>We also selected a number of loans to test potential cases of loans repaid by a customer during the period by fresh disbursement(s) to these higher risk loans.</p> <p>We selected a sample (based on quantitative and qualitative thresholds) of larger corporate clients where impairment indicators had been identified by management. We obtained management's assessment of the recoverability of these exposures (including individual provisions calculations) and challenged whether individual impairment provisions, or lack of, were appropriate.</p>

Key audit matter	How the matter was addressed in our audit
	<p>This included the following procedures:</p> <p>Reviewing the statement of accounts, approval process, board minutes, credit review of customer, review of Special Mention Accounts reports and other related documents to assess recoverability and the classification of the facility; and</p> <p>For a risk based sample of corporate loans not identified as displaying indicators of impairment by management, challenged this assessment by reviewing the historical performance of the customer and assessing whether any impairment indicators were present.</p>
Information technology	
IT systems and controls	
<p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst, its multiple IT systems, five systems are key for its overall financial reporting.</p> <p>In addition, large transaction volumes and the increasing challenges to protect the integrity of the Bank's systems and data, cyber security has become a more significant risk in recent periods.</p> <p>We have identified 'IT systems and controls' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture.</p>	<p>Our key IT audit procedures included:</p> <p>We focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p> <p>We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventive controls designed to enforce segregation of duties.</p> <p>For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process.</p> <p>Other areas that were assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating system or databases in the production environment.</p> <p>Security configuration review and related tests on certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management.</p>

Key audit matter	How the matter was addressed in our audit
Valuation of Financial Instruments (Investments and Derivatives)	
<i>Refer to the accounting policies in the financial statements: "Significant Accounting Policies - use of estimate", "Note 18.4.2 to the Financial Statements: Investments" and "Note 18.4.6 to the Financial Statements: Accounting for derivative transactions"</i>	
Subjective estimates and judgment involved	Our key audit procedures included:
Investments	Design/controls
<p>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.</p> <p>Investments classified as HTM are carried at amortized cost. Where, in the opinion of management, a diminution other than temporary, in the value of investments has taken place, appropriate provisions are required to be made.</p>	<p>Assessing the design, implementation and operating effectiveness of management's key internal controls over classification, valuation, and valuation models.</p> <p>Reading investment agreements/term sheets entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments.</p>
<p>Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines.</p>	<p>Engaging our valuation specialists to assist us in evaluating the valuation models used by the Bank to value certain instruments and to perform, on a sample basis, independent valuations of the instruments and comparing these valuations with the Bank's valuations.</p>
<p>We identified valuation of investments as a key audit matter because of the management judgment involved in determining the value of certain investments (Bonds and Debentures, Commercial papers and Certificate of deposits, security receipts) based on the policy and model developed by the Bank, impairment assessment for HTM book and the overall significant investments to the financial statements of the Bank.</p>	<p>Assessed the appropriateness of the valuation methodology and challenging the valuation model by testing the key inputs used such as pricing inputs, measure of volatility and discount factors. Compared the valuation methodology to criteria in the accounting standards/RBI guidelines.</p>
Derivatives	Substantive tests
<p>The Bank has exposure to derivative products which are accounted for on fair value (mark-to-market) in the books of account.</p>	<p>For sample of instruments we re-performed independent valuation where no direct observable inputs were used. We examined and challenged the assumptions used, by considering the alternate valuation method and sensitivity of other key factors</p>
<p>The valuation of the Bank's derivatives, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, the valuation techniques for which use quoted market prices and observable inputs. Where such observable data is not readily available, then estimates are developed which can involve significant management judgment.</p>	<p>Assessing whether the financial statement disclosures appropriately reflect the Bank's exposure to investments and derivatives valuation risks with reference to the requirements of the prevailing accounting standards and RBI guidelines.</p>
<p>We identified assessing the fair value of derivatives as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and the degree of judgment exercised by management in identifying the valuation models and determining the inputs used in the valuation models.</p>	

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Bank's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Bank's Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Bank's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▲ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▲ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the standalone financial statement in place and the operating effectiveness of such controls.

- ▲ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▲ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a bank to cease to continue as a going concern.
- ▲ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 and Section 133 of the Act.

- (A) As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, 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) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 22 branches.
- (B) Further, as required by Section 143(3) of the Act, we 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 standalone balance sheet, the standalone profit and loss account, and the standalone cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 A'; 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 as at 31 March 2019 on its financial position in its standalone financial statements – Refer Schedule 12 and Note 18.7.18 to the standalone financial statements;
 - ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18.7.15 to the standalone financial statements;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.
- (h) The disclosures required on holdings as well as dealing in specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):
- The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply
- For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
- Venkataramanan Vishwanath**
Partner
Membership No: 113156
- Mumbai
April 26, 2019

Annexure A

to the Independent Auditor's Report of even date on the Standalone Financial Statements of YES BANK Limited for the year ended 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (B)(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of YES BANK Limited ("the Bank") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Bank's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statement criteria established by the Bank considering the essential components of internal control stated in 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 ("the Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 Bank's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial

statement 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statement become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
April 26, 2019

Venkataramanan Vishwanath
Partner
Membership No: 113156

Standalone Balance Sheet

as at March 31, 2019

(₹ in thousands)

	Schedule	As at March 31, 2019	As at March 31, 2018
Capital and Liabilities			
Capital	1	4,630,066	4,605,934
Reserves and surplus	2	264,411,895	252,976,864
Deposits	3	2,276,101,818	2,007,381,476
Borrowings	4	1,084,241,089	748,935,808
Other liabilities and provisions	5	178,876,786	110,555,951
TOTAL		3,808,261,654	3,124,456,033
Assets			
Cash and balances with Reserve Bank of India	6	107,977,369	114,257,489
Balances with banks and money at call and short notice	7	160,917,748	133,086,175
Investments	8	895,220,327	683,989,387
Advances	9	2,414,996,024	2,035,338,628
Fixed assets	10	8,169,955	8,323,917
Other assets	11	220,980,231	149,460,437
TOTAL		3,808,261,654	3,124,456,033
Contingent liabilities	12	6,541,580,198	5,818,296,390
Bills for collection		50,592,373	19,355,641
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
YES BANK Limited

Venkataramanan Vishwanath
Partner
Membership No: 113156

Ravneet Gill
Managing Director & CEO
(DIN: 00091746)

Brahm Dutt
Chairman
(DIN: 05308908)

Ajai Kumar
Director
(DIN: 02446976)

Uttam Prakash Agarwal
Director
(DIN: 00272983)

Raj Ahuja
Group Chief Financial
Officer

Shivanand R. Shettigar
Group Company
Secretary

Mumbai
April 26, 2019

Standalone Profit and Loss

for the year ended March 31, 2019

		(₹ in thousands)	
	Schedule	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Income			
Interest earned	13	296,247,473	202,674,216
Other income	14	45,901,526	52,238,335
TOTAL		342,148,999	254,912,551
II. Expenditure			
Interest expended	15	198,157,160	125,303,624
Operating expenses	16	62,642,768	52,127,798
Provisions and contingencies	17	64,146,283	35,235,492
TOTAL		324,946,211	212,666,914
III. Profit			
Net profit for the year		17,202,788	42,245,637
Profit brought forward		103,753,016	79,333,915
TOTAL		120,955,804	121,579,552
IV. Appropriations			
Transfer to Statutory Reserve		4,300,697	10,561,409
Transfer to Capital Reserve		1,010,096	659,648
Transfer to Investment Reserve		6,707	-
Transfer to Investment Fluctuation Reserve		539,066	-
Dividend paid (Refer Sch. 18.5.1.2)		6,223,989	5,488,101
Tax on Dividend paid (Refer Sch. 18.5.1.2)		1,279,652	1,117,377
Balance carried over to balance sheet		107,595,597	103,753,016
TOTAL		120,955,804	121,579,552
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
Earning per share (Refer Sch. 18.6.16)			
Basic (₹)		7.45	18.43
Diluted (₹)		7.38	18.06
(Face Value of Equity Share is ₹2/-)			

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors

YES BANK Limited

Venkataramanan Vishwanath

Partner

Membership No: 113156

Ravneet Gill

Managing Director & CEO

(DIN: 00091746)

Brahm Dutt

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Raj Ahuja

Group Chief Financial

Officer

Shivanand R. Shettigar

Group Company

Secretary

Mumbai

April 26, 2019

Standalone Cash Flow Statement

for the year ended March 31, 2019

(₹ in thousands)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from Operating Activities		
Net profit before taxes	23,573,471	61,943,094
Adjustment for		
Depreciation for the year	3,015,420	2,309,704
Amortization of premium on investments	2,102,585	1,673,308
Provision for investments	6,824,889	2,599,443
Provision for standard advances	22,514,059	1,687,427
Provision/write-off of non-performing advances	25,669,535	10,788,287
Other provisions	2,767,116	397,075
(Profit)/Loss on sale of land, building and other assets	(3,947)	12,892
(i)	86,463,128	81,411,230
Adjustments for :		
Increase/(Decrease) in Deposits	268,720,342	578,642,909
Increase/(Decrease) in Other Liabilities	38,016,714	(1,384,431)
(Increase)/Decrease in Investments	(160,198,010)	(104,836,672)
(Increase)/Decrease in Advances	(405,326,931)	(725,187,573)
(Increase)/Decrease in Other assets	(48,182,922)	(24,532,910)
(ii)	(306,970,807)	(277,298,677)
Payment of direct taxes	(26,103,985)	(22,889,711)
(iii)		
Net cash generated from/(used in) operating activities (A)	(246,611,664)	(218,777,158)
Cash flow from investing activities		
Purchase of fixed assets	(2,912,885)	(3,900,382)
Proceeds from sale of fixed assets	55,372	89,251
Investment in subsidiaries	(1,185,000)	(555,000)
(Increase)/Decrease in Held To Maturity (HTM) securities	(58,775,403)	(82,552,484)
Net cash generated/(used in) from investing activities (B)	(62,817,916)	(86,918,615)

Standalone Cash Flow Statement

for the year ended March 31, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
(₹ in thousands)		
Cash flow from financing activities		
Increase in Borrowings	313,708,193	241,003,504
Tier II Debt raised	30,420,000	70,000,000
Innovative Perpetual Debt (paid)/raised	(1,754,400)	54,150,000
Tier II Debt repaid during the year	(5,430,400)	(2,489,000)
Proceeds from issue of Share Capital (net of share issue expense)	953,472	1,420,167
Dividend paid during the year	(6,223,989)	(5,488,101)
Tax on dividend paid	(1,279,652)	(1,117,377)
Net cash generated from/(used in) financing activities (C)	330,393,224	357,479,193
Effect of exchange fluctuation on translation reserve (D)	587,809	65,803
Net increase in cash and cash equivalents (A+B+C+D)	21,551,453	51,849,223
Cash and cash equivalents as at April 1st	247,343,664	195,494,441
Cash and cash equivalents as at March 31st	268,895,117	247,343,664
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following:		
Cash and Balances with Reserve Bank of India	107,977,369	114,257,489
Balances with Banks and Money at Call and Short Notice	160,917,748	133,086,175
Cash and cash equivalents as at March 31st	268,895,117	247,343,664

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath

Partner

Membership No: 113156

For and on behalf of the Board of Directors

YES BANK Limited

Ravneet Gill

Managing Director & CEO

(DIN: 00091746)

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Director

(DIN: 00272983)

Raj Ahuja

Group Chief Financial

Officer

Shivanand R. Shettigar

Group Company

Secretary

Mumbai

April 26, 2019

Schedules

forming part of Financial Statements

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 1 - Capital		
Authorized Capital		
3,000,000,000 equity shares of ₹2/- each	6,000,000	6,000,000
20,000,000 preference shares of ₹100/- each	2,000,000	2,000,000
Issued, subscribed and paid-up capital		
2,315,033,039 equity shares of ₹2/- each	4,630,066	4,605,934
(March 31, 2018 : 2,302,967,245 equity shares of ₹2/- each) [Refer Sch 18.5.1]		
TOTAL	4,630,066	4,605,934

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 2 - Reserves and Surplus		
I. Statutory Reserves		
Opening balance	44,633,403	34,071,994
Additions during the year	4,300,697	10,561,409
Deductions during the year	-	-
Closing balance	48,934,100	44,633,403
II. Share Premium		
Opening balance	100,058,339	98,679,248
Additions during the year [Refer Sch 18.5.1]	929,340	1,379,091
Deductions during the year	-	-
Closing balance	100,987,679	100,058,339
III. Capital Reserve		
Opening balance	4,524,481	3,864,833
Additions during the year [Refer Sch 18.5.1.3]	1,010,096	659,648
Deductions during the year	-	-
Closing balance	5,534,577	4,524,481
IV. Investment Reserve		
Opening balance	226,197	226,197
Additions during the year [Refer Sch 18.5.1.4]	6,707	-
Deductions during the year	-	-
Closing balance	232,904	226,197
V. Foreign Currency Translation Reserve		
Opening balance	25,486	(40,317)
Additions during the year	587,809	65,803
Deductions during the year	-	-
Closing balance	613,295	25,486
VI. Cash Flow Hedge Reserve		
Opening balance	(244,057)	(160,135)
Additions during the year [Refer Sch 18.5.1.5]	218,734	(83,922)
Deductions during the year	-	-
Closing balance	(25,323)	(244,057)
VII. Investment Fluctuation Reserve		
Opening balance	-	-
Additions during the year [Refer Sch 18.5.1.6]	539,066	-
Deductions during the year	-	-
Closing balance	539,066	-
VIII. Balance in Profit and Loss Account		
	107,595,597	103,753,016
TOTAL	264,411,895	252,976,864

Schedules

forming part of Financial Statements

		(₹ in thousands)	
		As at March 31, 2019	As at March 31, 2018
Schedule 3 - Deposits			
A. I. Demand Deposits			
	i) From Banks	17,301,403	14,602,217
	ii) From Others	268,119,467	273,655,030
	II. Savings Bank Deposit	467,112,348	443,504,509
	III. Term Deposits		
	i) From banks	184,849,906	112,971,241
	ii) From others (incl. CD's issued)	1,338,718,694	1,162,648,479
	TOTAL	2,276,101,818	2,007,381,476
B. I. Deposits of branches in India		2,274,954,791	2,006,449,601
	II. Deposits of branches outside India	1,147,027	931,875
	TOTAL	2,276,101,818	2,007,381,476

		(₹ in thousands)	
		As at March 31, 2019	As at March 31, 2018
Schedule 4 - Borrowings			
I. Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt			
A. Borrowing in India			
	i) IPDI	90,020,000	91,560,000
	ii) Tier II Borrowings	180,759,000	152,339,000
	TOTAL (A)	270,779,000	243,899,000
B. Borrowings outside India			
	i) IPDI	-	325,875
	ii) Tier II Borrowings	6,215,786	11,172,824
	TOTAL (B)	6,215,786	11,498,699
	TOTAL (A+B)	276,994,786	255,397,699
II. Other Borrowings⁽¹⁾			
A. Borrowings in India			
	i) Reserve Bank of India	-	15,000,000
	ii) Other banks	57,147,925	15,811,399
	iii) Other institutions and agencies ⁽²⁾	345,669,057	187,167,910
	TOTAL (A)	402,816,982	217,979,309
B. Borrowings outside India⁽³⁾			
	TOTAL (A+B)	807,246,303	493,538,109
	TOTAL (I+II)	1,084,241,089	748,935,808

(1) Secured borrowings are ₹4,996,813 thousands (March 31, 2018: ₹46,463,203 thousands).

(2) Including ₹302,872,244 thousands of refinance borrowing (March 31, 2018: ₹123,216,106 thousands) ₹16,450,000 thousands (March 31, 2018: ₹16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹21,350,000 thousands (March 31, 2018: ₹21,350,000 thousands) of Long-Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

(3) Includes bonds of ₹32,909,865 thousand (March 31, 2018: ₹38,974,842 thousands) of Medium-Term Notes issued from International Business Unit (IBU) in GIFT city Gujarat to fund its growth.

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(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 5 - Other Liabilities and Provisions		
I. Bills payable	3,913,805	9,151,490
II. Inter-office adjustments (net)	-	-
III. Interest accrued	37,455,379	21,932,830
IV. Others (including provisions)		
- Provision for standard advances	32,007,968	9,493,909
- Country risk provision	532,784	-
- Others	104,966,850	69,977,722
TOTAL	178,876,786	110,555,951

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 6 - Cash and Balances with Reserve Bank of India		
I. Cash in hand	6,333,912	6,226,739
II. Balances with Reserve Bank of India		
- In current account	101,643,457	108,030,750
- In other account	-	-
TOTAL	107,977,369	114,257,489

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 7 - Balances with Banks and Money at Call and Short Notice		
I. In India		
Balances with banks		
i) In current accounts	1,988,954	781,586
ii) In other deposit accounts	5,089	83
Money at call and short notice		
i) With Banks	-	-
ii) With other institutions	-	-
iii) Lending under reverse repo (RBI & Banks)	88,310,161	112,009,654
TOTAL (I)	90,304,204	112,791,323
II. Outside India		
i) In current account	39,148,020	14,494,277
ii) In other deposit account	-	-
iii) Money at call and short notice	31,465,525	5,800,575
TOTAL (II)	70,613,545	20,294,852
TOTAL (I+II)	160,917,748	133,086,175

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	As at March 31, 2019	As at March 31, 2018
(₹ in thousands)		
Schedule 8 - Investments (Net of Provisions)		
A. Investments in India		
i) Government Securities	553,611,120	488,860,831
ii) Other approved securities	-	-
iii) Shares	429,168	643,782
iv) Debentures and bonds	154,985,441	145,045,609
v) Subsidiaries and/or joint ventures	2,240,000	1,055,000
vi) Others (CPs, CDs, Security Receipts, Pass through certificates etc.)	60,825,681	38,030,003
TOTAL (I)	772,091,410	673,635,225
B. Investments outside India		
i) Government Securities	120,595,843	3,445,612
ii) Shares	9,421	-
iii) Debentures and bonds	2,523,653	6,908,550
TOTAL (II)	123,128,917	10,354,162
TOTAL (I+II)	895,220,327	683,989,387

	As at March 31, 2019	As at March 31, 2018
(₹ in thousands)		
Schedule 9 - Advances		
A.		
i) Bills purchased and discounted	42,078,951	39,543,292
ii) Cash credit, overdrafts and loans payable on demand	412,651,470	349,496,606
iii) Term loans	1,960,265,603	1,646,298,730
TOTAL	2,414,996,024	2,035,338,628
B.		
i) Secured by tangible assets (includes advances secured by fixed deposits and book debt)	1,961,505,002	1,477,676,098
ii) Covered by Bank/Government guarantees	10,366,160	5,996,099
iii) Unsecured ⁽ⁱ⁾	443,124,862	551,666,431
TOTAL	2,414,996,024	2,035,338,628
⁽ⁱ⁾ Includes advances of ₹128,510,880 thousands (March 31, 2018: ₹337,552,952 thousands) for which security documentation is either being obtained or being registered. As at March 31, 2019 advances amounting to ₹2,403,000 thousands (March 31, 2018: Nil) has been secured by intangible securities such as charge over the rights, licenses, authority, etc.		
C. I. Advances in India		
i) Priority sectors	539,338,050	446,472,144
ii) Public sector	56,671	1,524,237
iii) Banks	674,817	1,214,227
iv) Others	1,686,228,220	1,442,062,406
TOTAL (I)	2,226,297,758	1,891,273,014
II. Advances outside India		
i) Due from Banks	431,707	1,716,986
ii) Due from Others	188,266,559	142,348,628
(a) Bills purchased and discounted	-	-
(b) Syndicated and Term loans	30,796,065	142,348,628
(c) Others	157,470,494	-
TOTAL (II)	188,698,266	144,065,614
TOTAL (I+II)	2,414,996,024	2,035,338,628

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(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 10 - Fixed Assets		
I. Premises		
At cost as on March 31st of preceding year	378,031	378,031
Additions during the year	-	-
Deductions during the year	-	-
Accumulated depreciation to date	(14,704)	(8,402)
TOTAL (I)	363,327	369,629
II. Other Fixed Assets (including furniture and fixtures and software)		
At cost as on March 31st of preceding year	15,232,744	11,745,713
Additions during the year	3,133,713	3,931,501
Deductions during the year	(257,697)	(444,470)
Accumulated depreciation to date	(10,801,920)	(7,994,083)
TOTAL (II)	7,306,840	7,238,661
TOTAL (I+II)	7,670,167	7,608,290
Capital work-in-progress	499,788	715,627
TOTAL	8,169,955	8,323,917

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 11 - Other Assets		
I. Interest Accrued	39,033,483	25,152,344
II. Advance tax and tax deducted at source (net of provision)	4,801,326	1,674,968
III. Deferred tax asset [Refer Sch 18.6.27]	25,329,143	8,717,588
IV. Non-Banking assets acquired in satisfaction of claims	353,000	364,790
V. Others	151,463,279	113,550,747
TOTAL	220,980,231	149,460,437

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 12 - Contingent Liabilities		
I. Claims against the bank not acknowledged as debts	549,157	116,436
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	2,834,098,764	3,000,448,825
IV. Liability on account of outstanding derivative contracts		
- Single currency Interest Rate Swap	1,702,671,190	1,141,440,348
- Others	868,291,165	783,747,908

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(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
V. Guarantees given on behalf on constituents		
- In India	437,258,909	314,307,933
- Outside India	-	-
VI. Acceptances, endorsement and other obligations	390,140,737	411,689,385
VII. Other items for which the bank is contingently liable		
- Purchase of securities pending settlement	3,622,750	9,068,982
- Capital commitment	2,937,672	2,936,618
- Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	32,834	13,533
- Foreign exchange contracts (Tom & Spot)	300,477,020	154,526,423
- Bills Re-discounting	1,500,000	-
TOTAL	6,541,580,198	5,818,296,390

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2019 includes notional amount of ₹2,035,934,447 thousands and ₹407,303,929 thousands (previous year: ₹2,315,099,034 thousands and ₹318,672,816 thousands) guaranteed by CCIL representing 71.84% and 23.92% (previous year: 77.16% and 27.92%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

(₹ in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Schedule 13 - Interest Earned		
I. Interest/discount on advances/bills	229,226,405	154,782,364
II. Income on investments	60,484,215	41,025,311
III. Interest on balances with Reserve Bank of India and other inter-bank funds	3,975,738	5,160,730
IV. Others	2,561,115	1,705,811
TOTAL	296,247,473	202,674,216

(₹ in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Schedule 14 - Other Income		
I. Commission, exchange and brokerage	36,361,452	41,379,643
II. Profit on the sale of investments (net)	3,174,838	5,134,739
III. Profit/(Loss) on the revaluation of investments (net)	-	-
IV. Profit/(Loss) on sale of land, building and other assets	3,947	(12,892)
V. Profit on exchange transactions (net)	1,570,297	2,315,709
VI. Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous income	4,790,992	3,421,136
TOTAL	45,901,526	52,238,335

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(₹ in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Schedule 15 - Interest Expended		
I. Interest on deposits	136,871,140	93,834,137
II. Interest on Reserve Bank of India/ inter-bank borrowings/ Tier I and Tier II debt instruments	60,764,723	29,840,501
III. Others	521,297	1,628,986
TOTAL	198,157,160	125,303,624

(₹ in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Schedule 16 - Operating Expenses		
I. Payments to and provisions for employees	24,697,653	21,889,199
II. Rent, taxes and lighting	4,173,931	4,543,758
III. Printing and stationery	423,256	368,753
IV. Advertisement and publicity	648,283	959,102
V. Depreciation on Bank's property	3,015,420	2,309,704
VI. Directors' fees, allowances and expenses	43,413	19,848
VII. Auditors' fees and expenses	23,203	13,685
VIII. Law charges	90,931	60,940
IX. Postage, telegrams, telephones, etc.	647,585	604,220
X. Repairs and maintenance	420,294	345,426
XI. Insurance	2,078,487	1,512,106
XII. Other expenditure	26,380,312	19,501,057
TOTAL	62,642,768	52,127,798

(₹ in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Schedule 17 - Provisions & Contingencies		
I. Provision for taxation [Refer Sch 18.6.10]	6,370,684	19,697,457
II. Provision for investments	6,824,889	2,599,443
III. Provision for standard advances	22,514,059	1,687,427
IV. Provision/write-off for non-performing advances	25,669,535	10,788,287
V. Other Provisions	2,767,116	462,878
TOTAL	64,146,283	35,235,492

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18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

18.1 Background

YES BANK Limited (the 'Bank' or 'YES BANK') is a private sector bank promoted by the late Mr. Ashok Kapur and Mr. Rana Kapoor. YES BANK is a publicly held bank engaged in providing a wide range of banking and financial services. YES BANK is a banking company governed by the Banking Regulation Act, 1949. The Bank was incorporated as a limited company under the Companies Act, 1956 on November 21, 2003. The Bank received the licence to commence banking operations from the Reserve Bank of India ('RBI') on May 24, 2004. Further, YES BANK was included to the Second Schedule of the Reserve Bank of India Act, 1934 with effect from August 21, 2004. Also the Bank has a branch at International Financial Services Centre ('IFSC') at GIFT City, Gujarat ('IBU'). The Bank classifies transactions undertaken by IBU as overseas operation.

18.2 Basis of preparation

The financial statements have been prepared in accordance with 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 the Reserve Bank of India (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 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

18.3 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results

could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

18.4 Significant accounting policies

18.4.1 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- ▲ Interest income is recognized in the profit and loss account on accrual basis, except in the case of non-performing assets and accounts under SDR / S4A. Interest on non-performing assets and accounts under SDR / S4A is recognized as per the prudential norms of the RBI. Penal Interest is recognized upon certainty of its realization.
- ▲ Dividend income is recognized when the right to receive payment is established.
- ▲ Commission on guarantees issued by the Bank is recognized as income over the period of the guarantee.
- ▲ Commission on Letters of Credit ('LC') issued by the Bank is recognized as income at the time of issue of the LC.
- ▲ Income on non-coupon bearing discounted instruments is recognized over the tenure of the instrument on a straight-line basis. In case of coupon bearing discounted instruments, discount income is recognized over the tenor of the instrument on yield basis.
- ▲ In case of Bonds and Pass Through Certificates (PTC), premium on redemption, if any, is amortized over the tenure of the instrument on a yield basis.
- ▲ Revenue from financial advisory services is recognized in line with milestones achieved as per terms of agreement with clients which is reflective of services rendered.
- ▲ Facility fees and loan processing fees are recognized when due and realizable.
- ▲ Other fees and commission are accounted for as and when they became due.

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18.4.2 Investments

Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated July 1, 2015.

Accounting and Classification

The Bank follows settlement date accounting for Investments. In compliance with RBI guidelines, all investments, are categorized as "Held for trading" ('HFT'), "Available for sale" ('AFS') or "Held to maturity" ('HTM') at the time of its purchase. For the purpose of disclosure in the balance sheet, investments are classified as disclosed in Schedule 8 ('Investments') under six groups (a) government securities (b) other approved securities (c) shares (d) bonds and debentures (e) subsidiaries and joint ventures and (f) others.

a) Cost of acquisition

Costs such as brokerage pertaining to investments, paid at the time of acquisition and broken period interest are charged to the profit and loss account as per the RBI guidelines.

b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that the Bank intends to hold till maturity are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS / HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice-versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

d) Valuation

Investments categorized under AFS and HFT categories are Marked-to-Market (MTM) on a periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule 8 ('Investments') is recognized in the profit and loss account. The net appreciation, if any, in the category under each classification is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to periodic valuation of investments.

Investments received in lieu of restructured advances scheme are valued in accordance with RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. Depreciation on equity shares acquired and held by the Bank under restructuring scheme is provided as per RBI guidelines.

Investments classified under the HTM category are carried at their acquisition cost and any premium over the face value, paid on acquisition, is amortized on a straight-line basis over the remaining period to maturity. Amortization expense of premia on investments in the HTM category is deducted from interest income in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated July 1, 2015. Where in the opinion of management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

Treasury Bills, Commercial Paper and Certificates of deposit being discounted instruments, are valued at carrying cost.

Pass Through Certificates purchased for priority sector lending requirements are valued at Book Value in accordance with RBI guidelines.

The market/fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges and for Subsidiary General Ledger ('SGL') account transactions, the prices as

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periodically declared by Financial Benchmarks India Pvt. Ltd. (FBIL).

The market/fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FBIL. Further, in the case of unquoted bonds, debentures, pass through certificates (other than priority sector) and preference shares, valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA / FBIL.

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is netted in the Investment schedule. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit /Loss on settlement of the short position is recognized in the Profit and Loss account.

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.

Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity shares are valued at the break-up value if the latest balance sheet is available, else, at ₹1 per company, as per relevant RBI guidelines.

At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction company are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting date. In case of investment in Security Receipts on

or after April 1, 2017 which are backed by more than 50% of the stressed assets sold by the bank, provision for depreciation in value is made at higher of – provisioning rate required in terms of net assets value declared by Reconstruction Company (RC)/ Securitization Company (SC) or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continue in the books of the Bank. All other investments in the Security Receipts are valued as per the NAV obtained from issuing RC / SC.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Investment in listed instruments of Real Estate Investment Trust (REIT) / Infrastructure Investment Trust (INVIT) is valued at closing price on a recognized stock exchange with the higher volumes. In case the instruments were not traded on any stock exchange within 15 days prior to date of valuation, valuation is done based on the latest NAV (not older than 1 year) submitted by the valuer.

Sovereign foreign currency bonds are valued using Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non-Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price, Bloomberg Generic price (BGN), Last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by

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Government of India ('GOI') is valued based on FBIL valuation.

Non-performing investments are identified and depreciation/provision are made thereon based on the RBI guidelines. Based on management assessment of impairment, the Bank additionally creates provision over and above the RBI guidelines. The depreciation/provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit and Loss account until received.

e) Profit/Loss on sale of Investments

Profit/Loss on sale of Investments in the HTM category is recognized in the profit and loss account and profit thereafter is appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/Loss on sale of investments in HFT and AFS categories is recognized in the Profit and Loss account.

f) Accounting for repos/reverse repos

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) including liquidity adjustment facility (LAF) with RBI are treated as collateralized borrowing and lending transactions respectively in accordance with RBI master circular No. DBR.No.BP.BC.6/21.04.141/2015-16 dated July 1, 2015. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and second (reversal of first) leg reflects interest and is recognized as interest income/expense over the period of transaction.

Bank also undertakes Repo and Reverse repo transactions from IFSC Banking Unit in GIFT City in Foreign currency Sovereign Securities and accounting is similar to the domestic repo transactions.

g) Investment fluctuation reserve

With a view to building up of adequate reserves to protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018,

advised all banks to create an IFR with effect from the FY 2018-19.

Transferred to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

18.4.3 Advances

Accounting and classification

Advances are classified as performing and non-performing based on the relevant RBI guidelines. Advances are stated net of specific provisions, interest in suspense, inter-bank participation certificates issued and bills rediscounted.

Provisioning

Provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level prescribed in relevant RBI guidelines. The specific provision levels for retail non-performing assets are also based on the nature of product and delinquency levels. Specific provisions in respect of non-performing advances are charged to the Profit and Loss account and included under Provisions and Contingencies.

As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. These also include provision for stressed sector exposures and provision for incremental exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower. Such provisions are included in Schedule 5 – 'Other liabilities & provisions – Others'.

In respect of restructured standard and non-performing advances, provision is made for the present value of principal and interest component sacrificed at the time of restructuring the assets, based on the RBI guidelines.

Accounts are written-off in accordance with the Bank's policies. Recoveries from bad debts written-off are

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recognized in the Profit and Loss account and included under other income.

In case of loans sold to asset reconstruction company, if consideration is more than net book value, the Bank records the security receipts as investment at Net Book Value as per RBI guidelines.

The Bank has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately Risk, High Risk and Very High Risk. The Bank calculates direct and indirect country risk in line with the policy requirements. Indirect exposure is reckoned at 50% of the exposure in case of countries where the net funded exposure exceeds 1% of the Bank's total assets. Further, if the net funded exposure of the Bank in respect of each country exceeds 1% of the Bank's total assets, provisioning is required to be made on exposure to such countries. Depending on the risk category of the country, provisioning is done on a graded scale ranging from 0.25% to 100% for exposures with contractual maturity greater than or equal to 180 days. In respect of short-term exposures with contractual maturity less than 180 days, 25% of the normal provision requirement is held.

18.4.4 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at the daily average closing rates and of non-integral foreign operations (foreign branches) at the monthly average closing rates.

Premia/discounts on foreign exchange swaps, that are used to hedge risks arising from foreign currency assets and liabilities, are amortized over the life of the swap.

Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). Foreign exchange contracts are stated at net present value using LIBOR/SWAP curves of the respective currencies with the resulting unrealized gain or loss being recognized in the Profit and Loss Account and

correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market (MTM)) on a gross basis.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit/loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until the disposal of the net investment in the non-integral foreign operations.

In accordance with the RBI clarification, the Bank does not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations.

Currency future contracts are marked to market daily using settlement price on a trading day, which is the closing price of the respective future contracts on that day. While the daily settlement prices is computed on the basis of weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the future contract or as may be specified by the relevant authority from time to time. All open positions are marked to market based on the settlement price and the resultant marked to market profit /loss is daily set.

18.4.5 Earnings per share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share" notified under Section 133 of the Companies, Act 2013. Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares options outstanding during the period except where the results are anti dilutive.

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18.4.6 Accounting for derivative transactions

Derivative transactions comprises forward rate agreements, swaps and option contracts. The Bank undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

Cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings have been designated as cash flow hedges and are measured at fair value. The corresponding gain or loss is recognized as cash flow hedge reserve. Further to match profit/ loss on account of revaluation of foreign currency borrowing, the corresponding amount is recycled from cash flow hedge reserve to Profit and Loss account.

The Bank follows the option premium accounting framework prescribed by FEDAI SPL – circular dated December 14, 2007. Premium on option transaction is recognized as income/expense on expiry or early termination of the transaction. Mark-to-Market (MTM) gain/loss (adjusted for premium received/paid on option contracts) is recorded under 'Other Income'.

18.4.8 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, at the rates mentioned below –

Class of asset	Useful life of Assets as per Companies Act, 2013	Useful life of Assets as per Bank's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware ¹	6 years	3 years
Computer software *	6 years	4 years
Vehicles ¹	8 years	5 years
Furniture and Fixtures	10 years	10 years
Automated Teller Machines ('ATMs') ¹	15 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

* As per RBI Guidelines.

The amounts received/paid on cancellation of option contracts are recognized as realized gains/losses on options. Charges receivable/payable on cancellation/ termination of foreign exchange forward contracts and swaps are recognized as income/expense on the date of cancellation/ termination under 'Other Income'.

Valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

The requirement for collateral and credit risk mitigation on derivative contracts is assessed based on internal credit policy. Overdues if any, on account of derivative transactions are accounted in accordance with extant RBI guidelines.

As per the RBI guidelines on 'Prudential Norms for Off-balance Sheet Exposures of Banks' a general provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions.

18.4.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit/ functioning capability from/ of such assets.

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¹ Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

- ▲ Assets costing up to ₹5,000 are fully depreciated in the year of purchase.
- ▲ For assets purchased/sold during the year, depreciation is being provided on pro rata basis by the Bank.
- ▲ Improvements to leasehold assets are depreciated over the remaining period of lease
- ▲ Reimbursement, if any, is recognized on receipt and is adjusted to the book value of asset and depreciated over the balance life of the asset
- ▲ Whenever there is a revision in the estimated useful life of the asset, the unamortized depreciable amount is charged over the revised remaining useful life of the said asset
- ▲ The useful life of assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

18.4.9 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognized by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the recoverable amount of the assets.

18.4.10 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Bank measures compensation cost relating to

employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

Compensated absence

The employees of the Bank are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees cannot encash unavailed/unutilized leave. The Bank provides for leave encashment/compensated absences based on an independent actuarial valuation at the Balance Sheet date, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation.

Gratuity

The Bank provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognized in the Profit and Loss account.

Provident fund

In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and

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the Bank contribute monthly at a pre determined rate. Contribution to provident fund are recognized as expense as and when the services are rendered The Bank has no liability for future provident fund benefits other than its annual contribution.

In February 2019, the honorable Supreme Court of India in its judgment clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

National Pension System (NPS)

The NPS is a defined contribution retirement plan. The primary objective is enabling systematic savings and to provide retirees with an option to achieve financial stability. Pension contributions are invested in the pension fund schemes. The Bank has no liability for future fund benefits other than the voluntary contribution made by employees who agree to contribute to the scheme.

18.4.11 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term in accordance with Accounting Standard – 19, Leases.

18.4.12 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

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

18.4.13 Provisions and contingent assets/liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank or a present obligation that arises from past events that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Bank does not recognize a contingent liability but discloses its existence in the financial statements

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, the Bank creates a provision when there is a 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.

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 recognized 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.

18.4.14 Cash and Cash equivalent

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

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18.4.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognized in the Profit and Loss account.

18.4.16 Debit and credit cards reward points

The Bank estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

18.4.17 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on a price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified in other income.

The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received thereon is classified as interest expense/income respectively.

18.4.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

18.4.19 Segment information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

18.4.20 Priority Sector Lending Certificates (PSLC)

The Bank, in accordance with RBI circular FIDD.CO.Plan. BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

18.5 Capital

18.5.1.1 Equity Issue

During the financial year ended March 31, 2019, the Bank has issued 12,065,794 shares pursuant to the exercise of stock option aggregating to ₹953.47 million (previous year: ₹1,378.65 million)

Movement in Share Capital

Share Capital	(₹ in million)	
	As at March 31, 2019	As at March 31, 2018
Opening Share Capital	4,605.93	4,564.86
Addition due to exercise of Stock Option	24.13	41.07
Addition due to shares issued to QIP	–	–
Closing Share Capital	4,630.07	4,605.93

18.5.1.2 Proposed Dividend:

The Board of Directors of the Bank has recommended a dividend of ₹2 per equity share for approval by shareholders at the 15th Annual General Meeting. If approved, the total liability arising to the Bank would be ₹5,582.01 million, including dividend tax (previous year: ₹7,503.64 million). The actual dividend payout may however change due to equity shares options exercised

by employees between the end of the financial year and the dividend declaration date.

18.5.1.3 Capital Reserve

Profit on sale of investments in the Held to Maturity category is credited to the Profit and Loss Account and thereafter appropriated to capital reserve (net of

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applicable taxes and transfer to statutory reserve requirements). During the year ₹1,010.10 million (previous year: ₹659.65 million) was transferred to Capital Reserve.

18.5.1.4 Investment Reserve

The Bank has transferred ₹6.71 million to Investment Reserve (previous year: ₹ Nil) (net of applicable taxes and transfer to statutory reserve requirements) on provisions for depreciation on investments credited to Profit and Loss Account.

18.5.1.5 Cash Flow Hedge Reserve

The Bank has credited ₹218.73 million to Cash Flow Hedge Reserve (previous year: debited ₹83.92 million) on cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings and have been designated as cash flow hedges and are measured at fair value.

18.5.1.6 Investment Fluctuation Reserve (IFR)

During the year ended March 31, 2019, the Bank has transferred ₹539.07 million in IFR (previous year: ₹ Nil).

18.5.1.7 Capital Adequacy Ratio

Capital Adequacy Ratio as per RBI guidelines as at March 31, 2019 is given below:

	(₹ in million)	
Basel – III	As at March 31, 2019	As at March 31, 2018
Common Equity Tier I*	256,989.71	248,503.97
Additional Tier I Capital	87,871.00	88,879.76
Tier I capital	344,860.71	337,383.73
Tier II capital	159,730.59	132,373.34
Total capital	504,591.30	469,757.06
Credit Risk – Risk Weighted Assets (RWA)	2,678,862.12	2,232,542.97
Market Risk – RWA	191,932.33	181,613.67
Operational Risk – RWA	184,986.56	139,276.11
Total risk weighted assets	3,055,781.01	2,553,432.74
Common Equity capital adequacy ratio (%)	8.4%	9.7%
Tier I capital adequacy ratio (%)	11.3%	13.2%
Tier II capital adequacy ratio (%)	5.2%	5.2%
Total capital adequacy ratio (%)	16.5%	18.4%
Amount raised during the year by issue of IPDI	-	54,150.00
Amount raised during the year by issue of Tier II Capital	30,420.00	70,000.00

* Adjusted for proposed dividend of ₹2 per share and applicable taxes.

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18.5.1.8 Tier I and Tier II Capital

During the financial year ended March 31, 2019, the Bank has issued Tier II instruments amounting to ₹30,420 million:

(₹ in million)

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Rated Listed Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures	Debentures	September 17, 2018	9.12	10 Years	30,420
TOTAL					30,420

During the financial year ended March 31, 2018, the Bank has issued additional Tier I instruments amounting to ₹54,150 million and Tier II instruments amounting to ₹70,000 million:

(₹ in million)

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Rated, Listed, Non-Convertible, Redeemable, Unsecured, Basel III Compliant Tier II Bonds in the nature of debentures	Debentures	September 29, 2017	7.80	10 Years	25,000.00
Rated, Listed, Non-Convertible, Redeemable, Unsecured, Basel III Compliant Tier II Bonds in the nature of debentures	Debentures	October 3, 2017	7.80	9 Years 11 Months & 28 Days	15,000.00
Perpetual Subordinated Unsecured Basel III Compliant Additional Tier I Bonds In The Nature Of Debentures	Debentures	October 18, 2017	9.00	Perpetual	54,150.00
Rated, Listed, Non-Convertible, Redeemable, Unsecured, Basel III Compliant Tier II Bonds in the nature of debentures	Debentures	February 22, 2018	8.73	10 Years	30,000.00
TOTAL					124,150.00

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18.5.2 Investments

I) Value of Investments

(₹ in million)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross value of Investments	905,718.50	687,662.67
– In India	782,311.14	677,302.96
– Outside India	123,407.36	10,359.71
Provision for depreciation	10,498.17	3,673.29
– In India*	10,219.73	3,667.74
– Outside India	278.45	5.55
Net Value of Investments	895,220.33	683,989.39
– In India	772,091.41	673,635.22
– Outside India	123,128.92	10,354.16

* Includes a provision of ₹987.81 million (previous year: ₹606.24 million) held for non-performing investments.

II) Movement of provisions held towards depreciation on investments

(₹ in million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	3,673.29	1,073.85
Add: Provision made during the year	7,166.05	2,617.68
Less: Write-off/write back of provision during the year	341.16	18.24
Closing Balance	10,498.18	3,673.29

Sales and transfers of securities to/from Held to Maturity (HTM) category

The Bank has not sold or transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, shifting of securities explicitly permitted by the Reserve Bank from time to time, sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and repurchase of Government securities by Government of India from banks as permitted by RBI.

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18.5.3 Repo Transactions

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2019:

(₹ in million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31-March-19
Securities sold under repos				
i) Government Securities	-	69,230.88	11,884.73	4,996.81
ii) Corporate debt securities	-	-	-	-
Security purchased under reverse repo				
i) Government Securities	-	96,027.29	20,868.98	20,310.16
ii) Corporate debt securities	-	-	-	-

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2018:

(₹ in million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31-March-18
Securities sold under repos				
i) Government Securities	-	48,441.62	4,078.77	5,311.40
ii) Corporate debt securities	-	-	-	-
Security purchased under reverse repo				
i) Government Securities	511.25	85,267.55	20,442.17	47,459.65
ii) Corporate debt securities	-	-	-	-

The above table represents the book value of securities sold and purchased under repos, triparty repos (TREPS) and reverse repos with inter-bank counterparties. It does not include securities sold and purchased under Liquidity Adjusted Facility (LAF) with RBI.

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18.5.4 Non-SLR Investment Portfolio

i. Issuer composition of Non-SLR investments

Issuer composition of Non-SLR investments as at March 31, 2019 is given below:

(₹ in million)

No.	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities # (c)	Extent of 'unlisted' securities* (d)
i)	PSUs	1,112.80	1,112.80	-	-	62.80
ii)	Financial Institutions	129,659.42	86,742.28	-	3,065.10	15,756.38
iii)	Banks	696.05	-	-	-	696.05
iv)	Private Corporates	51,852.94	51,132.73	5,500.00	525.62	7,799.85
v)	Subsidiaries/Joint ventures	2,240.00	2,240.00	-	-	2,240.00
vi)	Others	166,501.23	45,644.20	-	-	166,241.23
vii)	Provision held towards depreciation**	(10,453.24)	-	-	-	-
Total		341,609.21	186,872.01	5,500.00	3,590.71	192,796.31

* Investments amounting to ₹189,246.31 million are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

excludes investment in equity shares and units, non-Indian government securities of IBU and Non-SLR government of India securities.

** Includes a provision of ₹987.81 million held for non-performing investments.

Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.

Issuer composition of Non-SLR investments as at March 31, 2018 is given below:

(₹ in million)

No.	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities # (c)	Extent of 'unlisted' securities* (d)
i)	PSUs	5,423.34	911.70	-	-	5,423.34
ii)	Financial Institutions	53,731.19	53,726.19	-	264.19	264.19
iii)	Banks	30.22	30.22	-	-	-
iv)	Private Corporates	102,809.99	91,650.26	50.00	568.12	12,863.92
v)	Subsidiaries/Joint ventures	1,055.00	1,055.00	-	-	1,055.00
vi)	Others	35,481.69	32,030.53	-	-	35,481.69
vii)	Provision held towards depreciation**	(3,402.88)	-	-	-	-
Total		195,128.56	179,403.90	50.00	832.31	55,088.14

* Investments amounting to ₹51,538 million are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

excludes investment in equity shares and units, non-Indian government securities of IBU and Non-SLR government of India securities.

** Includes a provision of ₹606.24 million held for non-performing investments.

Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive

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ii. Non-Performing Investments

Particulars	(₹ in million)	
	March 31, 2019	March 31, 2018
Opening Balance	674.94	460.09
Additions during the year	479.14	285.76
Reductions during the year	-	70.91
Closing Balance	1,154.08	674.94
Total Provision Held	987.81	606.24

18.6 Derivatives

18.6.1 Forward Rate Agreement/Interest Rate Swap

The details of Forward Rate Agreements/Interest Rate Swaps outstanding as at March 31, 2019 is given below:

Sr. No	Items	(₹ in million)	
		As at March 31, 2019	As at March 31, 2018
i)	The notional principal of swap agreements	1,702,671.19	1,141,440.35
ii)	Losses which would be incurred if counter-parties failed to fulfill their obligations under the agreements ¹	2,740.33	1,760.74
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps [Percentage Exposure to Banks] ¹	12.75%	21.56%
	[Percentage Exposure to PSUs] ¹	22.14%	52.29%
v)	The fair value of the swap book ²	(1,661.03)	(285.43)
	- INBMK	(179.66)	(39.32)
	- MIBOR	(1,280.48)	(317.97)
	- MIFOR	(542.91)	129.79
	- FCY IRS	342.03	(57.93)

¹ Losses and Credit risk concentration are measured as net receivable under swap contracts.

² Fair values represent mark-to-market including accrued interest.

The nature and terms of the Rupee IRS as on March 31, 2019 are set out below:

(₹ in million)				
Nature	Nos	Notional Principal	Benchmark	Terms
Trading	13	15,760.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	630	278,870.61	MIBOR	Fixed Payable V/S Floating Receivable
Trading	645	261,024.55	MIBOR	Fixed Receivable V/S Floating Payable
Trading	266	103,934.30	MIFOR	Fixed Payable V/S Floating Receivable
Trading	173	64,632.70	MIFOR	Fixed Receivable V/S Floating Payable

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The nature and terms of the FCY IRS as on March 31, 2019 are set out below:

(₹ in million)

Nature	Nos	Notional Principal	Benchmark	Terms
Hedging	2	32,997.03	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	611	347,201.72	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	548	339,546.98	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	228	225,530.36	USD LIBOR	Floating Payable V/S Floating Receivable
Trading	36	4,728.11	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	42	5,304.32	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	1	124.84	JPY LIBOR	Fixed Payable V/S Floating Receivable
Trading	14	11,152.68	GBP LIBOR	Fixed Payable V/S Floating Receivable
Trading	3	10,863.00	GBP LIBOR	Fixed Receivable V/S Floating Payable

The nature and terms of the Rupee IRS as on March 31, 2018 are set out below:

(₹ in million)

Nature	Nos	Notional Principal	Benchmark	Terms
Hedging	2	750.00	MIFOR	Fixed Payable V/S Floating Receivable
Trading	13	15,760.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	473	235,350.32	MIBOR	Fixed Payable V/S Floating Receivable
Trading	498	206,242.32	MIBOR	Fixed Receivable V/S Floating Payable
Trading	252	95,332.30	MIFOR	Fixed Payable V/S Floating Receivable
Trading	134	54,299.10	MIFOR	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as on March 31, 2018 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	2	39,105.00	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	400	201,337.24	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	400	174,714.57	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	162	102,673.66	USD LIBOR	Floating Receivable V/S Floating Payable
Trading	18	2,652.59	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	18	2,872.49	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	1	123.01	JPY LIBOR	Fixed Payable V/S Floating Receivable
Trading	2	4,613.88	GBP LIBOR	Fixed Payable V/S Floating Receivable
Trading	2	4,613.88	GBP LIBOR	Fixed Receivable V/S Floating Payable

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18.6.2 Un-hedged/uncovered foreign currency exposure of the Bank

The Bank's foreign currency exposures as at March 31, 2019 that are not hedged/covered by either derivative instruments or otherwise are within the Net Overnight Open Position limit (NOOP) and the Aggregate Gap limit, as approved by the RBI. NOOP is ₹2,205.59 million as at March 31, 2019 (March 31, 2018 ₹1,353.36 million).

18.6.3 Exchange Traded Interest Rate Derivatives

The following table sets forth, for the period indicated, the details of exchange traded interest rate derivatives:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year:		
	- 6.79% Government Securities 2027	22,884.80	35,757.20
	- 7.17% Government Securities 2028	173,803.40	-
	- 6.68% Government Securities 2031	750.00	-
2	Notional Principal amount of exchange traded interest rate derivatives outstanding:		
	- 6.79% Government Securities 2027	-	-
	- 7.17% Government Securities 2028	4,945.00	-
	- 6.68% Government Securities 2031	750.00	-
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"		N.A.
4.	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective"		N.A.

18.6.4 Currency Futures

The Bank had dealt in exchange traded currency forwards (Futures) during the financial year ended March 31, 2019 and March 31, 2018. As at March 31, 2019 the open contracts on the exchange were to the tune of USD 4.104 million (₹285.29 million) for April 2019 expiry and for March 31, 2018 – Nil open contracts.

18.6.5 Disclosures on risk exposure in derivatives

As per RBI Master circular DBR.BP.BC.No.23/21.04.018/2015-16 dated July 1, 2015, the following disclosures are being made with respect to risk exposure in derivatives of the Bank:

- Purpose:** The Bank uses Derivatives including Forwards & swaps for various purposes including hedging its currency and interest rate risk in its balance sheet, customer offerings and proprietary trading. The management of these products and businesses is governed by Market Risk Policy, Investment Policy, Derivatives Policy, Derivatives Appropriateness Policy, Hedging Policy and ALM policy.
- Structure:** The Board of Directors of the Bank have constituted a Board level sub-committee, the Risk Monitoring Committee ('RMC') and delegated to it all functions and responsibilities relating to the risk management policy of the Bank and its supervision thereof.
- As part of prudent business and risk management practice,** the Bank has also instituted a comprehensive limit and control structure encompassing Value-at-Risk (VAR), Sensitivity, Greeks, Stop loss & credit limits for derivative transactions including suitability and appropriateness framework. The Bank has an internal reporting mechanism providing regular reports to the RMC as well as to the management of the Bank. Such a structure helps the Bank to monitor and mitigate market risk across FX and interest rates.

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- d) The Bank has an independent Middle Office and Market Risk functions, which are responsible for monitoring, measurement, and analysis of derivative related risks, among others. The Bank has a Credit Risk Management unit which is responsible for setting up counterparty limits and also a treasury operation unit which is responsible for managing operational aspects of derivatives including settlement of transactions. The Bank is subject to a concurrent audit for all treasury transactions, including derivatives transactions, a monthly report of which is periodically submitted to the Audit & Compliance Committee of the Bank.
- e) In addition to the above, the Bank independently evaluates the potential credit exposure on account of all derivative transactions, wherein risk limits are specified separately for each product, in terms of both credit exposure and tenor. As mandated by the Credit Policy of the Bank, the Bank has instituted an approval structure for all treasury/ derivative related credit exposures. Wherever necessary, appropriate credit covenants are stipulated as trigger events to call for collaterals or terminate transaction and contain the risks.
- f) The Bank reports all trading positions to the management on a daily basis. The Bank revalues its trading position on a daily basis for Management and Information System ('MIS') and control purposes and records the same in the books of accounts on a monthly basis.
- g) For derivative contracts in the banking book designated as hedge, the Bank documents at the inception of the relationship between the hedging instrument and the underlying exposure, the risk management objective for undertaking the hedge and the ALCO monitors all outstanding hedges on a periodical basis. Further the Bank's 'Hedging Policy' has stipulated conditions to ensure that the Hedges entered into are effective.
- h) Refer Note 18.4.6 for accounting policy on derivatives.

The details of derivative transactions as at March 31, 2019 and March 31, 2018 are given below:

(₹ in million)

Sr. No.	Particular	Currency derivatives ¹		Interest rate derivatives ⁴	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
i)	Derivatives (Notional Principal Amount)				
a)	For hedging	24,894.18	27,349.32	32,997.03	39,855.00
b)	For trading	837,853.50	756,398.59	1,675,217.65	1,101,585.35
ii)	Marked to market positions²				
a)	Asset (+)	11,870.11	9,189.21	11,227.54	5,481.15
b)	Liability (-)	12,210.08	8,273.63	13,228.06	5,599.59
iii)	Credit exposure³	64,931.17	56,452.85	26,289.71	17,500.44
iv)	Likely impact of one percentage change in interest rate (100*PV01) (Refer Note 1&2 below)				
a)	on hedging derivatives	320.47	479.20	1,103.47	1,726.80
b)	on trading derivatives	1,283.29	535.57	2,205.81	2,100.19
v)	Maximum and minimum of 100*PV01 observed during the year (Refer Note 1&2 below)				
a)	on hedging				
	Maximum	564.00	604.30	1,779.17	1,798.95
	Minimum	308.14	364.25	1,082.50	3.62
b)	on trading				
	Maximum	1,368.24	1,025.93	2,932.88	2,216.24
	Minimum	348.04	409.68	1,654.17	1,394.45

¹ Currency derivatives includes options purchased and sold, cross currency interest rate swaps and currency futures.

² Trading portfolio including accrued interest.

³ Mark-to-Market for credit exposure includes accrued interest.

⁴ Interest rate derivatives include Interest Rate Swaps, forward rate agreements and exchange traded interest rate derivatives.

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Notes:

- 1) Denotes absolute value of loss which the Bank could suffer on account of a change in interest rates by 1% which however doesn't capture the off-setting exposures between interest rate and currency derivatives.
- 2) PV01 exposures reported above may not necessarily indicate the interest rate risk the Bank is exposed to, given that PV01 exposures in Investments (which may offset the PV01 reflected above) do not form part of the above table.
- 3) The notional principal amount of foreign exchange contracts classified as trading at March 31, 2019 amounted to ₹2,816,549.88 million (previous year: 2,999,631.85 million). For these trading contracts, at March 31, 2019, marked to market position was asset of ₹40,879.82 million (previous year: 21,147.95 million) and liability of ₹42,674.09 million (previous year: ₹20,920.03 million). The notional principal amount of foreign exchange contracts classified as hedging at March 31, 2019 amounted to ₹17,548.88 million (previous year: ₹816.98 million). Credit exposure on forward exchange contracts at March 31, 2019 was ₹101,707.60 million (previous year: ₹93,577.45 million) of which exposure on CCL is ₹55,019.15 million (previous year: ₹56,459.69 million).

18.6.6 Asset quality

18.6.6.1 Non-Performing Advances

The details of movement of gross NPAs, net NPAs and provisions during the year ended March 31, 2019 and the year ended March 31, 2018 are given below :

		(₹ in million)	
No.	Particulars	March 31, 2019	March 31, 2018
(i)	Net NPA to Net Advances	1.86%	0.64 %
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	26,268.02	20,185.57
	(b) Additions (Fresh NPAs during the year)	79,703.31	82,157.37
	Sub-total (A)	105,971.33	102,342.94
	Less:		
	(i) Up-gradations	11,149.95	33,264.06
	(ii) Recoveries	11,306.45	35,724.93
	(iii) Write-offs	4,689.33	7,085.93
	Sub-total (B)	27,145.73	76,074.92
	Gross NPAs (closing balance) (A-B)	78,825.60	26,268.02
(iii)	Movement of Net NPAs		
	(a) Opening Balance	13,127.46	10,722.68
	(b) Additions during the year	50,002.04	68,015.64
	(c) Reductions during the year	18,281.00	65,610.86
	(d) Closing balance	44,848.50	13,127.46
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
	(a) Opening balance	13,140.56	9,462.89
	(b) Additions during the year	29,701.27	14,141.74
	(c) Write-off/write back of excess provision	8,864.73	10,464.07
	(d) Closing balance	33,977.10	13,140.56

The Bank does not have any advances which are outstanding in the books of the branches, but have been written-off (fully or partially) at Head Office level.

18.6.6.2 Provision coverage Ratio

The provision coverage ratio of the Bank as at March 31, 2019 computed as per the RBI guidelines is 43.10% (previous year: 50.02%).

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18.6.6.3 Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period. Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for FY2018.

18.6.6.4 Concentration of NPAs

Exposure (Funded + Non Funded) of the Bank to top four NPA is ₹32,843.86 million as at March 31, 2019 (previous year ₹14,510.13 million).

18.6.6.5 Sector-wise Advances and NPA

The details of Sector-wise Gross Advances and Gross NPAs as at March 31, 2019 and March 31, 2018 are given below:

(₹ in million)

Sector	As at March 31, 2019			As at March 31, 2018		
	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector
Priority Sector						
Agriculture and Allied activities	111,749.39	1,898.74	1.70%	108,333.92	1,152.95	1.06 %
Advances to industries sector eligible as priority sector lending	129,938.12	524.80	0.40%	101,882.22	559.16	0.55 %
<i>Gems and Jewellery</i>	30,993.87	5.10	0.02%	24,830.95	-	-
Services	276,349.81	2,416.79	0.87%	215,285.26	764.18	0.35 %
Personal Loans	179.12	11.57	6.46%	407.33	8.07	1.98%
Others	23,134.42	142.80	0.62%	22,107.22	16.60	0.08 %
Sub-Total (A)	541,350.86	4,994.69	0.92%	448,015.95	2,500.96	0.56 %
Non-Priority Sector						
Agriculture and Allied activities	40,838.96	1,436.64	3.52%	5,319.14	-	-
Industry	1,015,658.40	49,271.25	4.85%	1,037,517.44	22,282.04	2.15 %
<i>Construction</i>	123,099.91	6,533.30	5.31%	109,338.86	2,576.69	2.36 %
<i>Electricity (generation-transmission and distribution)</i>	128,619.87	6,674.29	5.19%	185,688.75	7,539.25	4.06 %
Services	687,709.95	21,678.71	3.15%	450,248.18	1,060.75	0.24 %
<i>Commercial Real Estate</i>	238,146.48	11,369.22	4.77%	146,172.40	115.93	0.08 %
<i>NBFCs</i>	69,941.58	73.55	0.11%	-	-	-
<i>Tourism, Hotel and Restaurants</i>	120,061.67	99.24	0.08%	67,879.79	108.00	0.16%
Personal Loans	43,403.39	514.21	1.18%	27,654.56	140.12	0.51 %
Others	120,011.56	930.10	0.78%	79,723.91	284.15	0.36 %
Sub-Total (B)	1,907,622.26	73,830.90	3.87%	1,600,463.23	23,767.06	1.49 %
Total (A+B)	2,448,973.12	78,825.60	3.22%	2,048,479.18	26,268.02	1.28 %

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18.6.6 Restructured Accounts

A) The details of accounts Restructured during the year ended March 31, 2019 are given below:

No.	Type of Restructuring	Restructured Accounts as on April 1 of the FY (opening figures)			Fresh restructuring during the year			Downgradations of restructured accounts during the FY			Upgradations to restructured standard category during the FY			Write-offs / Sale / Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
		No. of borrowers as at March 31, 2018	Amount outstanding as at March 31, 2018	Provision thereon as at March 31, 2018	No. of borrowers	Amount outstanding thereon	Provision thereon	No. of borrowers	Amount outstanding thereon	Provision thereon	No. of borrowers	Amount outstanding thereon	Provision thereon	No. of borrowers	Amount outstanding thereon	Provision thereon	No. of borrowers	Amount outstanding as at March 31, 2019	Provision thereon as at March 31, 2019
1	CDR																		
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	2	248.48	248.48	-	-	-	-	-	-	-	-	-	(5.51)	(5.51)	2	242.97	242.97	
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	2	248.48	248.48	-	-	-	-	-	-	-	-	-	(5.51)	(5.51)	2	242.97	242.97	
2	Others																		
	Standard	3	913.27	517.2	(1)	(38.79)	(1.94)	-	-	(2)	(874.47)	(49.78)	-	-	-	-	-	-	-
	Substandard	1	243.97	146.38	1.47	(205.18)	(144.44)	-	-	-	(16.06)	3.41	1	22.74	3.41	1	22.74	3.41	
	Doubtful	4	1,16,113	6,170	0.20	289.78	146.38	1	243.97	146.38	(1)	(455.24)	(200.79)	4	950.06	852.47	4	950.06	852.47
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	8	2,318.37	815.21	-	0.20	291.25	-	-	-	(3)	(1,345.77)	(250.57)	5	972.80	855.88	5	972.80	855.88
3	Grand Total																		
	Standard	3	913.27	517.2	-	-	(1.94)	(1.00)	(38.79)	(1.94)	-	-	(2)	(874.47)	(49.78)	-	-	-	-
	Substandard	1	243.97	146.38	-	1.47	(205.18)	(144.44)	-	-	-	-	-	(16.06)	-	1	22.74	3.41	
	Doubtful	6	1,40,961	8,655.58	-	0.20	289.78	1.00	243.97	146.38	-	(1)	(460.75)	(206.30)	6	1,193.03	1,095.44		
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	10	2,566.85	1,063.68	-	0.20	291.25	-	-	-	(3)	(1,351.28)	(256.08)	7	1,215.77	1,098.85	7	1,215.77	1,098.85

Notes:

- There are no SME cases which have been restructured during the year ended March 31, 2019.
- There have been no accounts upgraded from restructured advances during the year ended March 31, 2019
- The outstanding amount and number of borrowers as at March 31, 2019 is after considering recoveries and sale of assets during the year.
- The above table pertains to advances and does not include investment in shares which are fully provided for.
- The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
- Additional facilities availed by borrowers in existing restructured accounts are disclosed under "Fresh restructuring during the year" and partial repayments in existing restructured accounts are disclosed under "Write-offs/ sale/ recovery of restructured accounts", however, for the purpose of arithmetical accuracy, the number of existing borrowers availing additional facility or partial repayments have been ignored for presentation purpose.
- For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI Circular No. DBR.BPBC.No.23/21.04.018/2015-16 movement in provisions in the existing restructured account as compared to opening balance, is disclosed under column 'fresh restructuring (for increase in provision) and write-off/sale/ recovery (for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

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The details of accounts Restructured during the year ended March 31, 2018 are given below:

₹ in million

No.	Type of Restructuring	Restructured Accounts as on April 1 of the FY (opening figures)			Fresh restructuring during the year			Downgradations of restructured accounts during the FY			Upgradations to restructured standard category during the FY			Write-offs/Sale/Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
		No. of borrowers as at March 31, 2017	Amount thereon as at March 31, 2017	Provision thereon as at March 31, 2017	No. of borrowers outstanding	Amount thereon outstanding	Provision thereon outstanding	No. of borrowers outstanding	Amount thereon outstanding	Provision thereon outstanding	No. of borrowers outstanding	Amount thereon outstanding	Provision thereon outstanding	No. of borrowers outstanding	Amount thereon outstanding	Provision thereon outstanding	No. of borrowers as at March 31, 2018	Amount thereon as at March 31, 2018	Provision thereon as at March 31, 2018
1	CDR																		
	Standard	1	9.52	0.48	-	-	-	-	-	-	-	-	-	(1)	(9.52)	(0.48)	-	0.00	0.00
	Substandard	2	281.48	212.29	-	-	(2.00)	(281.48)	(212.29)	-	-	-	-	-	-	-	-	(0.00)	(0.00)
	Doubtful	-	(0.00)	0.00	-	69.19	2.00	281.48	212.29	-	-	-	-	-	(33.00)	(33.00)	2	248.48	248.48
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	3	291.00	212.77	-	-	-	-	-	-	-	-	-	(1)	(42.52)	(33.48)	2	248.48	248.48
2	Others																		
	Standard	10	5,700.94	502.40	-	79.75	(5.00)	(1,489.19)	(280.10)	(2)	(3,347.93)	(167.40)	(717)	-	(30.29)	(717)	3	913.27	517.2
	Substandard	-	0.00	0.00	-	109.79	1.00	243.97	36.60	-	-	-	-	-	-	-	1	243.97	146.38
	Doubtful	2	97.44	65.25	-	23.59	373.59	4.00	1,245.22	(1)	(52.93)	(20.74)	(1)	(152.19)	(44.51)	4	1,161.13	617.0	
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	12	5,798.38	567.65	-	103.34	487.37	-	-	(3)	(3,400.86)	(188.14)	(1)	(182.49)	(51.68)	8	2,318.37	815.21	
3	Grand Total																		
	Standard	11	5,710.46	502.88	-	79.75	3.99	(1,489.19)	(280.10)	(2)	(3,347.93)	(167.40)	(717)	(1)	(39.81)	(7.65)	3	913.27	517.2
	Substandard	2	281.48	212.29	-	-	109.79	(1.00)	(375.1)	(175.69)	-	-	-	-	-	-	1	243.97	146.38
	Doubtful	2	97.44	65.25	-	23.59	442.78	6.00	1,526.70	455.80	(1)	(52.93)	(20.74)	(1)	(185.19)	(77.51)	6	1,409.61	865.58
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	15	6,089.38	780.42	-	103.34	556.56	-	-	(3)	(3,400.86)	(188.14)	(2)	(225.01)	(85.16)	10	2,566.85	1,063.68	

Notes:-

- There are no SME cases which have been restructured during the year ended March 31, 2018.
- There have been 3 accounts upgraded from restructured advances during the year ended March 31, 2018.
- The outstanding amount and number of borrowers as at March 31, 2018 is after considering recoveries and sale of assets during the year.
- The above table pertains to advances and does not include investment in shares of net book value of ₹27 million in the amount outstanding.
- The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
- Additional facilities availed by borrowers in existing restructured accounts are disclosed under "Fresh restructuring during the year" and partial repayments in existing restructured accounts are disclosed under "Write-offs/sale/recovery of restructured accounts", however, for the purpose of arithmetical accuracy, the number of existing borrowers availing additional facility or partial repayments have been ignored for presentation purpose.
- For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBR/BC/PC.No.23/21,04.018/2015-16 movement in provisions in the existing restructured account as compared to opening balance, is disclosed under column fresh restructuring (for increase in provision) and write-off/ sale/ recovery (for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

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B) Restructuring of Advances – Micro Small and Medium Enterprises.

There are no restructure advances during the year ended March 31, 2019 under Micro Small and Medium Enterprises

18.6.6.7 Disclosure of schemes for stressed assets – Flexible Structuring of Existing Loans

(₹ in million)

Period	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
For the year ended March 31, 2019	-	-	-	-	-
For the year ended March 31, 2018	1	848.40	-	2.5 years	7.2 years

18.6.6.8 Disclosures on Strategic Debt Restructuring Scheme (SDR) (accounts which are currently under the stand-still period)

There are no account where SDR has been invoked in the Financial Year ending March 31, 2019 and March 31, 2018.

18.6.6.9 Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

As of March 31, 2019 there was no account under the stand-still period in the outside Strategic Debt Restructuring Scheme. During the year ended March 31, 2018 one account was restructured as per resolution plan implemented in accordance with the revised framework issued by RBI through notification “Resolution of Stressed Assets – Revised Framework” dated February 12, 2018. However, the same has been subsequently classified as NPA as at March 31, 2019.

18.6.6.10 Disclosures on Change in Ownership of Projects Under Implementation

There are no accounts where the Bank has decided to effect the change of ownership of projects under Implementation for the year ended March 31, 2019 and March 31, 2018.

18.6.6.11 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on March 31, 2019

There are no accounts where S4A has been implemented in the Financial Year ended March 31, 2019. Details of S4A implementation in the Financial Year ended March 31, 2018 provided below:

(₹ in million)

Particulars	No. of accounts where S4A has been implemented	Aggregate amount outstanding	Amount outstanding		Provision Held
			In Part A	In Part B	
Classified as Standard	3	1,303.61	1066.80	236.81	253.17
Classified as NPA	-	-	-	-	-

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18.6.6.12 Financial assets sold to Securitization Company/Reconstruction Company for Asset Reconstruction

- a) Details of Financial assets sold to Securitization/Reconstruction Company during the year ended March 31, 2019 are as follows:

(₹ in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) No. of accounts	2	8
(ii) Aggregate principal value (net of specific provisions) of accounts sold to SC / RC	5,450.56	15,803.78
(iii) Aggregate consideration (includes Net Book Value of Security Receipts of ₹2,878.10 million (previous year: ₹12,114.88 million))	4,558.70	17,911.10
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/(loss) over net book value*	(891.86)	2,107.32

* As per the extant RBI guidelines, the Bank has not recognized the gains in the financial statements and has recorded the Security Receipts at Net Book Value (NBV). If the sale value is lower than the net book value, the entire loss has been written off in the year of sale.

- b) Details of Investments held as Security Receipts received by sale of NPA to Securitization/Reconstruction Company as at March 31, 2019 and March 31, 2018 are as follows:

(₹ in million)

Particulars	Backed by NPAs* sold by the Bank as underlying		Backed by NPAs* sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Net Book value of investments in security receipts	17,266.83	18,847.22	-	-	17,266.83	18,847.22

* Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

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c) Details of ageing of Investments held as Security Receipts as at March 31, 2019 are as follows:

(₹ in million)

	SRs issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 years	SRs more than 8 years ago
(i) Book Value of SRs backed by NPAs* sold by the Bank as underlying	21,288.01	489.18	
Provision held against (i)	4,143.48	366.87	
(ii) Book value of SRs backed by NPAs* sold by other banks/ financial institutions/ non-banking financial companies as underlying	-	-	158.63
Provision held against (ii)	-	-	158.63
Total (i) + (ii)	21,288.01	489.18	158.63

*Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

Details of ageing of Investments held as Security Receipts as at March 31, 2018 are as follows:

(₹ in million)

	SRs issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 years	SRs more than 8 years ago
(i) Book Value of SRs backed by NPAs* sold by the Bank as underlying	21,201.01	-	-
Provision held against (i)	2,353.80	-	-
(ii) Book value of SRs backed by NPAs* sold by other banks/ financial institutions/ non-banking financial companies as underlying	-	-	176.96
Provision held against (ii)	-	-	176.96
Total (i) + (ii)	21,201.01	-	176.96

*Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

18.6.6.13 Non-performing financial assets purchased/ sold from/ to other bank

The Bank has not purchased/sold any non-performing financial assets from/to another bank during the year ended March 31, 2019 and March 31, 2018.

18.6.6.14.A Provisions for Standard Assets

Provision on standard advances for the year FY 2018-19 was ₹32,007.97 million. During the year based on review of Credit portfolio of the Bank, the Bank has identified certain performing accounts which have been faced with stress due to current market and liquidity condition. The Bank has created Contingency Provision of ₹21,000 million towards these identified accounts.

Provision on standard advances for the year FY 2017-18 was ₹9,493.91 million.

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18.6.6.14.B Disclosure on Exposure to Infrastructure Leasing & Financial Services Limited (ILFS) and its group entities

The following table sets forth the exposure in ILFS and group entities as at March 31, 2019, as per requirement of the RBI circular number RBI/2018-19/175 DBR.BP.BC.No.37/21.04.048/2018-19 dated April 24, 2019.

(₹ in million)

Amount outstanding (1)	Of (1), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA (2).	Provisions required to be made as per IRAC norms. (3)	Provisions actually held (4)
25,280.04	645.39	3,759.89	6,234.07

The Bank has non-fund based exposure ₹889.90 million on to this conglomerate.

18.6.7 Business ratios

Business Ratios	As at March 31, 2019	As at March 31, 2018
i) Interest income as a percentage to working funds ¹	9.00%	8.55%
ii) Non interest income as a percentage to working funds ¹	1.40%	2.20%
iii) Operating profit as a percentage to working funds ¹	2.47%	3.27%
iv) Return on assets ¹	0.52%	1.78%
v) Business (deposits + net advances) per employee ² (₹ in million)	232.74	213.02
vi) Profit per employee ² (₹ in million)	0.89	2.30

¹ Working funds represents the average of total assets as reported in Return Form X to RBI under Section 27 of the Banking Regulation Act, 1949.

² For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits have been excluded and average employees have been considered.

18.6.8 Asset Liability Management

The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2019

(₹ in million)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 day	18,741.23	115,057.51	14,114.50	2,766.20	45,844.33	3,009.61
2 days to 7 days	25,450.36	82,235.40	72,695.90	11,443.21	143,295.26	44,405.33
8 days to 14 days	18,905.83	76,910.98	56,700.46	8,127.59	51,584.38	7,211.95
15 days to 30 days	87,805.53	49,944.03	93,871.31	25,199.10	8,897.66	24,760.44
31 days to 2 months	53,956.34	21,081.44	102,819.85	42,943.52	9,979.06	17,926.29
Over 2 to 3 months	59,965.66	20,424.66	93,756.82	51,850.79	10,069.68	30,538.71
Over 3 to 6 months	134,256.62	54,993.97	291,401.98	94,698.15	12,414.32	75,875.66
Over 6 to 12 months	267,698.90	81,453.84	532,865.04	80,783.27	15,576.34	87,206.34
Over 1 year to 3 years	815,539.91	106,228.31	259,174.09	225,747.43	68,904.81	137,663.10
Over 3 years to 5 years	458,421.60	173,169.29	744,942.50	239,219.02	61,780.53	75,666.30
Over 5 years	474,254.06	113,720.89	13,759.37	301,462.81	53,294.83	38,451.86
TOTAL	2,414,996.02	895,220.33	2,276,101.82	1,084,241.09	481,641.20	542,715.58

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The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2018

(₹ in million)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 day	10,988.03	137,582.88	13,024.30	-	14,880.51	193.47
2 days to 7 days	13,100.67	30,880.58	82,984.05	49,556.74	17,967.18	10,924.44
8 days to 14 days	13,216.35	35,252.15	63,368.79	3,380.43	2,842.68	5,178.34
15 days to 30 days	72,905.99	75,887.61	81,897.55	14,135.49	19,366.13	13,097.10
31 days to 2 months	52,563.54	23,284.64	137,014.31	18,042.32	8,389.32	13,384.64
Over 2 to 3 months	62,912.23	22,200.05	115,962.90	33,629.88	12,158.69	27,379.05
Over 3 to 6 months	148,767.19	35,487.29	202,682.14	69,982.00	15,531.12	59,634.76
Over 6 to 12 months	265,795.20	61,563.74	389,251.43	24,335.08	25,143.58	39,802.43
Over 1 year to 3 years	708,650.71	44,110.38	181,873.32	131,991.66	45,377.19	61,440.64
Over 3 years to 5 years	358,786.63	134,284.60	719,657.50	101,783.36	72,149.10	93,754.96
Over 5 years	327,652.08	83,455.47	19,665.19	302,098.86	25,085.58	29,695.44
TOTAL	2,035,338.63	683,989.39	2,007,381.48	748,935.81	258,891.07	354,485.28

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Maturity profile of foreign currency assets and liabilities is excluding Off Balance Sheet item.

18.6.9 Exposures

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market and real estate.

18.6.9.1 Exposure to Real Estate Sector

The exposure, representing the higher of funded and non-funded limits sanctioned or outstanding to real estate sector, is given in the table below:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
i)	Direct exposure		
	Residential Mortgages	61,423.70	37,895.13
	Commercial Real Estate*	343,537.29	254,879.15
	<i>Of total Commercial real estate - exposure to residential real estate projects</i>	<i>226,018.49</i>	<i>174,818.07</i>
	<i>Of total Commercial Real Estate-outstanding as advances</i>	<i>248,340.53</i>	<i>164,404.61</i>
	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	- Residential	3,767.22	757.85
	- Commercial Real Estate	-	-
ii)	Indirect exposure		
	Fund based and non fund based exposures on National Housing Board and Housing Finance Companies	128,267.61	63,456.04
	TOTAL	536,995.81	356,988.17

*Commercial real estate exposure classification is based on RBI circular DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009.

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18.6.9.2 Exposure to Capital Market

The exposure representing the higher of funded and non-funded limits sanctioned or outstanding to capital market sector is given in the table below:

		(₹ in million)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
i)	direct investment 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;	442.60	204.88
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;	6,154.06	3,736.64
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;	-	-
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;	5,295.06	2,237.61
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers*;	13,646.54	9,488.19
vi)	loans sanctioned to corporate against the security of share / 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;	21,789.52	23,171.23
vii)	financing for acquisition of equity in overseas companies/financing for acquisition of equity in Indian companies	44,218.55	12,949.56
viii)	bridge loans to companies against expected equity flows/issues;	-	-
ix)	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;	-	-
x)	financing to stockbrokers for margin trading;	-	-
xi)	all exposures to Venture Capital Funds (both registered and unregistered)	202.53	173.00
Total Exposure to Capital Market		91,748.86	51,961.11

Capital market exposure is reported in line with Para 2.3 of RBI's Master Circular on Exposure Norms dated July 1, 2015 (DBR.No.Dir. BC.12/13.03.00/2015-16).

* out of the above ₹3,506.40 million is exposure to YES Securities (India) Ltd, which a subsidiary at the Bank.

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18.6.9.3 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure (direct and indirect) of the Bank is categorised into various risk categories listed in the following table. The funded country exposure (net) of the Bank as a percentage of total funded assets for United States of America was 4.37% (March 31, 2018: 0.82%) and for United Kingdom was 1.11% (March 31, 2018: 0.94%). As the net funded exposure to United States of America and United Kingdom exceeded 1.0% of total funded assets, the Bank held a provision of ₹532.78 million on country exposure at March 31, 2019 (March 31, 2018: "NIL") based on RBI guidelines.

(₹ in million)

Risk Category	Exposure (net) as at March 31, 2019	Provision held as at March 31, 2019	Exposure (net) as at March 31, 2018	Provision held as at March 31, 2018
Insignificant	374,555.20	532.78	223,896.21	-
Low	65,596.60	-	54,802.82	-
Moderately Low	2,391.78	-	1,750.32	-
Moderate	1,549.65	-	704.61	-
Moderate High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
TOTAL	444,093.23	532.78	281,153.96	-

18.6.9.4 Details of Single Borrower Limit (SBL) and Group Borrower Limit (GBL)

During the year ended March 31, 2019 and March 31, 2018, the Bank has complied with the Reserve Bank of India guidelines on single borrower and borrower group limit. 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.

During the year ended March 31, 2019, the Bank has not exceeded regulatory single borrower or group borrower exposure limit.

During the year ended March 31, 2018, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Reliance Industries Limited (Reliance Group) within the ceiling of 20% of Capital Funds. As on March 31, 2019, the exposure to Reliance Industries Limited as a percentage of capital funds was 3.2% (March 31, 2018: 12.3%).

During the year ended March 31, 2018, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Nayara Energy Limited - Erstwhile Essar Oil Limited (Rosneft Trafigura-UCP Consortium Group) within the ceiling of 20% of Capital Funds. As on March 31, 2019, the exposure to Nayara Energy Limited as a percentage of capital funds was 6.9% (March 31, 2018: 10.6%).

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18.6.9.5 Details of factoring exposure

The factoring exposure of the Bank as on March 31, 2019 is ₹6,059.85 million (previous year: ₹7,362.30 million).

Miscellaneous

18.6.10 Income Taxes

Provisions made for Income Tax during the year

	(₹ in million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax expense	22,982.24	22,385.22
Deferred income tax credit	(16,611.55)	(2,687.77)
TOTAL	6,370.69	19,697.45

18.6.11 Disclosure of penalties imposed by RBI

	(₹ in million)	
	For the year ended March 31, 2019	
Non-compliance with RBI directions on Time-bound implementation and strengthening of Swift related operational controls.	10.00	
Penalty on accounts of non-compliance with RBI guidelines on issuance of co-branded open loop prepaid cards*	1.13	
Penalties on account of counterfeit notes deposited by branches and currency chest	0.02	
TOTAL	11.15	

* Based on communication received from the RBI vide letter dated April 22, 2019

	(₹ in million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Penalty on account of non-compliance with the directions issued by RBI on Income Recognition Asset Classification (IRAC) norms and delayed reporting of information security incident involving the outsourced ATM switch of the bank.	60.00	
Penalties on account of counterfeit notes/soiled notes remitted by branches and currency chest	0.07	
TOTAL	60.07	

18.6.12 Fees/Remuneration received from bancassurance

Bank has earned ₹868.16 million from bancassurance business during year ended March 31, 2019 (previous year: ₹767.80 million).

18.6.13 Concentration of Deposits

As at March 31, 2019, the deposits of top 20 depositors aggregated to ₹246,727.21 million (previous year: ₹244,366.30 million) (excluding certificate of deposits, which are tradable instruments), representing 10.84% (previous year: 12.17 %) of the total deposit base.

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18.6.14 Concentration of Advances

As at March 31, 2019 the top 20 advances aggregated to ₹617,993.23 million (previous year: ₹484,353.89 million), representing 13.28% (previous year: 12.72%) of the total advances. For this purpose, advance is computed as per definition of Credit Exposure in RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

18.6.15 Concentration of Exposures

As at March 31, 2019 the top 20 exposures aggregated to ₹677,765.38 million (previous year: ₹556,575.44 million), representing 13.54% (previous year: 13.68 %) of the total exposures. Exposure is computed as per definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

18.6.16 Earnings Per Share ('EPS')

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings Per Share". The dilutive impact is mainly due to stock options granted to employees by the Bank.

The computation of earnings per share is given below:

Particulars	(₹ in million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Basic (annualized)		
Weighted average no. of equity shares outstanding	2,309,296,728	2,292,768,279
Net profit / (loss) (₹)	17,202.79	42,245.64
Basic earnings per share (₹)	7.45	18.43
Diluted (annualized)		
Weighted average no. of equity shares outstanding	2,331,418,688	2,339,752,831
Net profit / (loss) (₹)	17,202.79	42,245.64
Diluted earnings per share (₹)	7.38	18.06
Nominal value per share (₹)	2	2

The difference between weighted average number of equity shares outstanding between basic and diluted in the above mentioned disclosure is on account of outstanding ESOPs.

Basic earnings per equity share has been computed by dividing net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares options outstanding during the year, except where the results are anti-dilutive. The dilutive impact is on account of stock options granted to employees by the Bank. There is no impact of dilution on the profits in the current year and previous year.

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18.6.17 Overseas Assets, NPAs and Revenue

The below table shows total assets, NPAs and revenue for the overseas branches of the Bank

(₹ in million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total assets	331,594.88	181,840.46
Total NPAs	-	-
Total revenue	15,602.98	9,184.00

18.6.17.1 Repatriation of Profit

During FY 2018-19, given adequate availability of liquidity at IBU and on account of high volatility in USD-INR movement which could expose Bank to translation risk to the extent of accumulated reserves at IBU, IBU repatriated an amount of USD 90 million (₹6,459.43 million) to HO from its accumulated reserves. The Bank has not recognized any gain in Profit and Loss Statement, as per RBI notification dated April 18, 2017, from Foreign Currency Translation Reserve (FCTR) on repatriation of accumulated profits/retained earnings.

18.6.18 Sponsored SPVs

The Bank has not sponsored any SPV and hence there is no consolidation due to SPVs in Bank's books.

18.6.19 Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2019 (previous year: Nil).

18.6.20 Credit/Debit card reward points

Provision for credit card and debit card reward points for the year ended March 31, 2019

Particulars	₹ in million
Opening provision	112.12
Provision made during the year	180.73
Utilised/Write-back of provision	(59.18)
Closing provision	233.67

During financial year ending March 31, 2018, the Bank has expended ₹77.70 million for accumulated rewards points on credit and debit card.

The valuation of credit card and debit card reward points is based on actuarial valuation method obtained from an independent actuary.

18.6.21 Corporate Social Responsibility (CSR)

- Amount required to be spent by the Bank on CSR during the year ₹955.8 million (previous year: ₹772.21 million).
- Amount spent towards CSR during the year and recognized as expense in the Profit and Loss account on CSR related activities is ₹537.86 million (previous year: ₹452.13 million), which comprise of following –

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(₹ in million)

	March 31, 2019			March, 31 2018		
	In cash	Amt unpaid /provision	Total	In cash	Amt unpaid /provision	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (i) above	470.78	67.08	537.86	397.89	54.24	452.13

18.6.22 Staff retirement benefits

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the Bank's financial statements as of March 31, 2019 and March 31, 2018:

Gratuity

a) Changes in present value of Obligations

(₹ in million)

	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation at the beginning of the year	1,129.14	873.21
Interest Cost	85.75	60.03
Current Service Cost	271.85	256.57
Past Service Cost	-	-
Benefits Paid	(80.28)	(103.59)
Actuarial (gain)/loss on Obligation	33.98	42.92
Present Value of Obligation at the end of the year	1,440.46	1,129.14

Changes in the fair value of plan assets:

(₹ in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at the beginning of the year	1,144.35	870.91
Adjustment to Opening Balance	-	4.25
Expected return on plan assets	80.05	60.92
Contributions	-	321.34
Benefits paid	(80.28)	(103.59)
Actuarial gain/(loss) on plan assets	(26.25)	(9.48)
Fair value of plan assets at the end of the period	1,117.87	1,144.35

The Bank has entire contribution of Gratuity Fund as Investments with Insurance Companies.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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Net gratuity cost for the year ended March 31, 2019 and March 31, 2018 comprises the following components:

(₹ in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	271.85	256.57
Interest Cost	85.75	60.03
Expected Return on plan assets	(80.05)	(60.92)
Net Actuarial gain recognized in the year	60.24	52.40
Past Service Cost	-	-
Expenses recognized	337.79	308.08

Experience History

(₹ in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
(Gain)/Loss on obligation due to change in assumption	63.57	(70.88)	46.39	14.11	33.71
Experience (Gain)/Loss on obligation	(29.59)	113.80	30.12	(9.26)	(51.13)
Actuarial Gain/(Loss) on plan assets	(26.25)	(5.21)	6.96	(14.25)	(2.49)

The assumptions used in accounting for the gratuity plan are set out below:

(₹ in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate	7.05%	7.60%
Expected Return on Plan Assets	7.00%	7.00%
Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
Future Salary Increases	12.00%	12.00%
Disability	-	-
Attrition	13%-25%	13%-25%
Retirement	60 yrs	60 yrs

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset/liability

	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at the end of the period	1,117.87	1,144.35
Present Value of Obligation at the end of the year	1,440.46	1,129.15
Plan asset/(liability)	(322.59)	15.20

The Bank is yet to determine future contribution to Gratuity fund for Financial Year 2019-20.

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National Pension Scheme

The Bank has contributed ₹19.33 million for the year ended March 31, 2019 (March 31, 2018: ₹15.22 million) to NPS for employees who had opted for the scheme. The Bank has no liability for future fund benefits other than its annual contribution for the employees who agree to contribute to the scheme.

Provident Fund (PF)

The Bank has recognised in the profit and loss account ₹804.29 million for the year ended March 31, 2019 (March 31, 2018: ₹716.81 million) towards contribution to the provident fund.

Compensated absence

The Bank has recognised ₹169.60 million in the profit and loss account for the year ended March 31, 2019 (March 31, 2018: ₹51.72 million) towards compensated absences.

18.6.23 Segment Results

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) - Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- ▲ **Treasury:** Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, Proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
- ▲ **Corporate/Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- ▲ **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers.
- ▲ **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2019 are set out below:

(₹ in million)					
Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	104,539.78	222,653.47	45,658.71	2,051.90	374,903.85
Less: Inter-segment					(32,759.28)
Revenue net of inter-segment					342,144.57
Result	35,460.35	14,180.12	(4,524.82)	916.64	46,032.30
Unallocated Expenses					(22,458.83)
Operating Profit					23,573.47
Income Taxes					6,370.68
Extraordinary Profit/(Loss)					-
Net Profit					17,202.79
Other Information:					
Segment assets	1,302,259.99	1,979,884.76	486,554.09	885.39	3,769,584.22
Unallocated assets					38,677.42
Total assets					3,808,261.64
Segment liabilities	1,081,751.87	1,411,797.46	947,394.05	1,082.29	3,442,025.66
Unallocated liabilities					366,235.98
Total liabilities					3,808,261.64

Other banking operations includes income from bancassurance business ₹868.16 million during year ended March 31, 2019.

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Segmental results for the year ended March 31, 2018 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	65,927.05	166,358.80	29,728.16	1,954.12	263,968.13
Less: Inter-segment					9,044.11
Revenue net of inter- segment					254,924.02
Result	29,460.99	54,748.04	(5,907.63)	1,108.21	79,409.61
Unallocated Expenses					(17,466.51)
Operating Profit					61,943.10
Income Taxes					9,697.46
Extraordinary Profit/(Loss)					-
Net Profit					42,245.64
Other Information:					
Segment assets	1,022,128.60	1,714,630.32	371,370.33	329.97	3,108,459.22
Unallocated assets					15,996.81
Total assets					3,124,456.03
Segment liabilities	751,075.32	1,261,531.12	750,850.50	4,724.60	2,768,181.54
Unallocated liabilities					356,274.49
Total liabilities					3,124,456.03

Other banking operations includes income from bancassurance business ₹767.80 million during year ended March 31, 2018.

Notes for segment reporting:

- The business of the Bank is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).
- In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
- Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
- The unallocated assets Includes tax paid in advance/ tax deducted at source and deferred tax asset.
- The unallocated liabilities include Share Capital, Reserves & Surplus and Tier 1 bond borrowings.
- Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

18.6.24 Related Party Disclosures

The Bank has transactions with its related parties comprising of subsidiary, key management personnel and the relative of key management personnel

As per AS 18 "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Bank's related parties for the year ended March 31, 2019 are disclosed below:

Subsidiary

- ▲ Yes Securities (India) Limited
- ▲ Yes Asset Management (India) Limited
- ▲ Yes Trustee Limited

Individuals having significant influence

- ▲ Mr. Rana Kapoor, Managing Director & CEO (from April 1, 2018 to January 31, 2019)
- ▲ Mr. Ajai Kumar, Managing Director & CEO (from February 1, 2019 to February 28, 2019)
- ▲ Mr. Ravneet Gill, Managing Director & CEO (from March 1, 2019 to March 31, 2019)

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Key Management Personnel ('KMP') (Whole-time Director)

- ▲ Mr. Rana Kapoor, Managing Director & CEO (from April 1, 2018 to January 31, 2019)
- ▲ Mr. Ajai Kumar, Managing Director & CEO (from February 01, 2019 to February 28, 2019)
- ▲ Mr. Ravneet Gill, Managing Director & CEO (from March 1, 2019 to March 31, 2019)

Enterprise where relative of whole-time director having significant influence

- ▲ BW Businessworld Media Private Limited and Apex Club India Private Limited

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2019:

							(₹ in million)
Items/Related Party Category	Subsidiaries	Maximum Balance during the year	Whole-time directors/ individual having significant influence	Maximum Balance during the year	Relatives of Whole-time directors/ individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole-time director having significant influence
Deposits	527.71*	33,003.57	3.06 *	15.62			
Advances (Overdraft)	1,024.17*	1,035.91					
Investment	2,240.00*	2,240.00					
Interest received	41.02						
Interest paid	44.29		0.52				
Reimbursement of Cost incurred	17.57						
Receiving of services	8.22						5.46
Dividend paid			270				
Payable to subsidiary	2.70						
Receivable from subsidiary	3.11						
Sale of Assets	0.64						

* Represents outstanding as of March 31, 2019

During the year, Bank has made additional investment in two subsidiaries, YES Securities (India) Limited and YES Asset Management (India) Limited for ₹990 million and ₹195 million respectively.

During the year ended March 31, 2019, the Bank has contributed ₹537.86 million (previous year ₹452.13 million) to YES Foundation. YES Foundation is an independent public charitable trust which undertakes social charitable activities. YES Foundation does not qualify as Related Party, as defined under the Accounting Standard 18 - Related Party Disclosure and RBI guidelines

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The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2018:

Items/Related Party Category	Subsidiaries	Maximum Balance during the year	Whole-time directors/ individual having significant influence	Maximum Balance during the year	Relatives of Whole-time directors/ individual having significant influence	Maximum Balance during the year	(₹ in million)
							Enterprise where relative of whole-time director having significant influence
Deposits	495.44*	746.93	#	#	#	#	
Investment	1,055.00*	1,055.00					
Advances (Overdraft)	150.38*	374.00					
Interest received	3.88		#		#		
Interest paid	9.32						
Reimbursement of Cost incurred	25.43						
Receiving of services	8.34		#				6.02
Dividend paid			#				
Payable to subsidiary	1.07						
Receivable from subsidiary	3.10						
Sale of fixed asset	5.24						

* Represents outstanding as of March 31, 2018

In Financial Year 2017-18 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 the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks".

18.6.25 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2019 was ₹3,613.24 million (Previous year: ₹4,041.06 million). During the year ended March 31, 2019, the Bank paid minimum lease payment ₹3,623.94 million (Previous year: ₹3,696.34 million).

The following table sets forth, for the period indicated, the details of future rental payments on operating leases.

Lease obligations	(₹ in million)	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	3,461.65	3,674.42
Later than one year and not later than five years	9,751.31	14,583.08
Later than five years	12,418.84	16,627.33
TOTAL	25,631.80	34,884.83

The Bank does not have any provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

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18.6.26 ESOP disclosures

Statutory Disclosures Regarding Joining Stock Option Scheme:

The Bank has Five Employee Stock Option Schemes viz.

- ▲ Joining Employee Stock Option Plan II (JESOP II),
- ▲ Joining Employee Stock Option Plan III (JESOP III),
- ▲ YBL ESOP (consisting of two sub schemes JESOP IV / PESOP I)
- ▲ YBL JESOP V / PESOP II (Consisting of three sub schemes JESOP V / PESOP II / PESOP II -2010)
- ▲ YBL Employee Stock Option Scheme, 2018 (YBL ESOS 2018) [Consisting of YBL Joining Employee Stock Option Plan, 2018 (JESOP 2018); YBL Performance Employee Stock Option Plan, 2018 (PESOP 2018); and YBL MD&CEO (New) Stock Option Plan, 2019 (MD&CEO Plan 2019)]

Effective from June 13, 2018, all new options have been granted under the YBL ESOS 2018 (which inter-alia consists of JESOP 2018, PESOP 2018 and MD & CEO Plan 2019). The YBL ESOS 2018 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time. Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options.

JESOP II and JESOP III were in force for employees joining the Bank up to March 31, 2006 and March 31, 2007 respectively. Grants under PESOP II had been discontinued w.e.f. January 20, 2010. Grants under JESOP IV/PESOP I and JESOP V/ PESOP II -2010 had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans.

In accordance with the various Employee Stock Option Plans/Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time:

JESOP/PESOP	ESOP Scheme	Exercise period
JESOP	JESOP II	50% after 3 years and balance after 5 years from the Grant date
	JESOP III	50% after 3 years and balance after 5 years from the Grant date
	JESOP IV	50% after 3 years and balance after 5 years from the Grant date
	JESOP V	50% after 3 years and balance after 5 years from the Grant date
	MD&CEO Plan 2019	20%, 30% & 50% each year, from end of 1st year from the Grant date
PESOP	PESOP I	25% after each year from the Grant date
	PESOP II	30%, 30% & 40% after each year from the Grant date
	PESOP II - 2010	30%, 30% & 40% each year, from end of 3rd year from the Grant date
	JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
	PESOP 2018	30%, 30% & 40% each year, from end of 3rd year from the Grant date

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

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A summary of the status of the Bank's stock option plans as on March 31, 2019 and March 31, 2018 is set out below:

	As at March 31, 2019		As at March 31, 2018	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	46,257,335	15,963,100	64,802,165	20,614,950
Granted during the year	365,000	5,940,000	3,847,500	1,697,500
Exercised during the year	9,265,020	2,800,774	15,590,830	4,947,350
Forfeited/lapsed during the year	2,338,200	847,500	6,801,500	1,402,000
Options outstanding at the end of the year	35,019,115	18,254,826	46,257,335	15,963,100
Options exercisable	18,701,265	3,901,451	18,413,585	2,277,350
Weighted average exercise price (₹)	70.84	106.08	64.76	74.59
Weighted average remaining contractual life of outstanding option (yrs)	1.50	1.86	1.78	1.82

The Bank has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2019 and March 31, 2018. Had the Bank adopted the Fair Value method (based on Black- Scholes pricing model), for pricing and accounting of options, net profit after tax would have been lower by ₹375.18 million (previous year: ₹414.98 million), the basic earnings per share would have been ₹7.29 (previous year: ₹18.24) per share instead of ₹7.45 (previous year: ₹18.43) per share; and diluted earnings per share would have been ₹7.22 (previous year: ₹17.88) per share instead of ₹7.38 (previous year: ₹18.06) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2019 and March 31, 2018.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Risk free interest rate	6.29% - 9.23%	6.29% - 9.23%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	25.01% - 48.72%	25.01% - 48.72%
Expected dividends	1.20%	1.20%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.6.27 Deferred Taxation

The deferred tax asset of ₹25,329.14 million as at March 31, 2019 and ₹8,717.59 million as at March 31, 2018, is included under other assets and the corresponding credits have been taken to the profit and loss account.

The components that give rise to the deferred tax asset included in the balance sheet are as follows:

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(₹ in million)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Depreciation	598.64	415.56
Provision for gratuity and unutilized leave	391.24	208.24
Provision for Non Performing Assets	9,779.42	2,926.75
Amortization of premium on HTM securities	1,035.72	1,025.76
Provision for standard advances	11,119.17	3,220.59
Other Provisions	2,404.94	920.69
Deferred tax asset	25,329.13	8,717.59

18.6.28 Provisions and Contingencies

The breakup of provisions of the Bank for the year ended March 31, 2019 and March 31, 2018 are given below:

(₹ in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for taxation	6,370.68	19,697.46
Provision for investments	6,824.89	2,599.44
Provision for standard advances	22,514.06	1,687.43
Provision made/write-off for non-performing advances	25,669.54	10,788.29
Others Provisions*	2,767.12	462.88
TOTAL	64,146.28	35,235.50

* Other Provisions includes provision made against other assets.

18.7 Other Disclosures

18.7.1 Disclosure on Remuneration

a) Information relating to the composition and mandate of the Nomination & Remuneration Committee.

The Board of Directors of the Bank through its Nomination and Remuneration Committee (N&RC) exercises oversight & effective governance over the framing and implementing of the Compensation policy. The N&RC shall comprise a minimum of 3 Non-Executive Directors, majority being Independent Directors.

Composition of the N&RC of the Bank as on March 31, 2019 is as follows:

- ▲ Mr. Mukesh Sabharwal, Independent Director (Chairman)
- ▲ Mr. T. S. Vijayan, Independent Director
- ▲ Mr. Subhash Chander Kalia, Non-Executive Non-Independent Director

The roles and responsibilities of the N&RC are as under -

1. To review the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;

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2. To examine the qualification, knowledge, skill sets and experience of each director vis-a-vis the Bank's requirements and their effectiveness to the Board on a yearly basis and accordingly recommend to the Board for the induction of new Directors;
3. To review:
 - a) The composition of the existing Committees of the Board and to examine annually whether there is any need to have a special committee of directors to meet the business requirements of the Bank and accordingly recommend to the Board for formation of a special committee.
 - b) Review the Terms of Reference of the Board Level Committees and recommend the changes therein, if any, to the Board;
4. To scrutinise nominations for Independent/ Non-Executive Directors with reference to their qualifications and experience and making recommendations to the Board for appointment/ filling of vacancies;
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
6. To Formulate criteria for evaluation of performance of independent directors and the board of directors;
7. To carry out evaluation of every director's performance;
8. 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;
9. To validate 'fit and proper' status of all Directors on the Board of the Bank in terms of the Guidelines issued by the RBI or other regulatory authorities;
10. To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;
11. To implement policies and processes relating to Corporate Governance principles;
12. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
13. To devise a Policy on Board diversity;
14. To recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees including performance/achievement bonus, perquisites, retinals, sitting fee, etc.;
15. To review the Bank's overall compensation structure and related policies with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Banks and the industry in general;
16. To ensure the following while formulating the policy on the aforesaid matters:
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to Whole-time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
 - d) Recommend to the board all remuneration, in whatever form, payable to 'Senior Management'.
17. To consider grant of Stock Options to employees including employees of subsidiaries and administer and supervise the Employee Stock Option Plans;
18. To function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is authorized to allot shares pursuant to exercise of Stock Options by employees;
19. To review the Human Capital Capacity Planning on annual basis;
20. To review the list of risk takers on annual basis;
21. To review the HCM Policies and provide suitable guidance for additions/modification/ deletions, if any;
22. To review the Succession Planning; and
23. To perform any other functions or duties as stipulated by the Companies Act, Reserve Bank of

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India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

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

The Bank has framed Compensation and Benefit Policy based on the guidelines contained in the RBI circular DBOD No. BC.72/29.67.001/2011-12 dated January 13, 2012 which was approved by the Nomination and Remuneration Committee on January 7, 2013. The remuneration of MD&CEO/Whole-time Directors is in accordance with the above mentioned circular and shall be reviewed basis RBI guidelines issued from time to time and approved by N&RC before obtaining Regulatory approvals.

The compensation philosophy of the Bank is aligned to the organizational values aimed at encouraging Professional Entrepreneurship and reinforcing a strong culture promoting meritocracy, performance, potential and prudent risk taking.

The Bank's Remuneration policy is to position its pay structure competitively in relation to the market to be able to attract and retain critical talent. The compensation strategy clearly endeavors to differentiate performance significantly and link the same with quality and quantum of rewards. The Bank also strives to create long-term wealth creation opportunities through stock option schemes.

Human Capital Management shall review the policy annually or as required, based on changes in statutory, regulatory requirements and industry practices pertaining to Compensation and Benefits.

- a) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.

The broad factors taken into account for the Annual Review /revision of Fixed Compensation (TCC) & Performance Bonus are:

1. Individual performance based on the Annual Performance Review (APR) process of the Bank.
2. Business Unit performance in terms of financial outcomes, productivity, etc.
3. Consideration of all types of risk factors and shall be symmetrical with risk outcomes as well as sensitive to the time horizon of risk.
4. Profitability of the Bank.
5. Industry Benchmarking and consideration towards cost of living adjustment/inflation

The Bank subscribes to a 'Sum-of-Parts' compensation methodology, which is reflective of the Bank's commitment and philosophy of creating and sharing value with its employee partners.

The sum-of-parts compensation comprises:

Fixed Compensation

Variable Compensation in the form of Performance Bonus

Employee Stock Option Plans (ESOP)

The Board of Directors of the Bank through its Nomination and Remuneration Committee (N&RC) shall exercise oversight & effective governance over the framing and implementing of the Compensation policy. *Human Capital Management under the guidance of MD & CEO shall administer the Compensation and Benefits structure in line with Industry practices and statutory requirements as applicable from time to time.*

- b) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

The Bank ensures that the compensation remains adjusted for all types of risk, symmetrical with risk outcomes as well as sensitive to the time horizon of risk. Further, the

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compensation in all forms will be consistent with the risk alignment.

One of the key factors to be considered for the Annual Review/revision of Fixed Compensation (TCC) & Performance Bonus includes individual performance based on the Annual Performance Review (APR) process of the Bank. The evaluation on risk management parameters is an integral part of the Annual Performance Review process, forming part of Key Result Areas of the executives with suitable weightage. The inputs for assessment on these parameters will be independently provided by the Risk Management function of the Bank.

For the services pertaining to a given financial year where variable pay is 50% or more, 40-60% shall be deferred over minimum period of 3 years. In the event of a negative contribution, deferred compensation shall be subject to appropriate malus/claw back arrangements as decided by the Board Remuneration Committee. Guaranteed bonus shall not be a part of the compensation plan.

The compensation for executives in Risk Control and Compliance functions shall be independent of the business areas they oversee.

The Bank shall not provide any facility or funds or permit employees to insure or hedge their compensation structure to offset the risk alignment effects embedded in their compensation arrangement.

- c) 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.

The Bank subscribes to a 'Sum-of-Parts' compensation methodology, which is reflective of the commitment and philosophy of creating and sharing value with the employee partners. The sum-of-parts compensation for executives comprises:

Fixed Compensation (Total Cost to Company-TCC) – Includes value of perquisites.

Variable compensation in the form of Performance/Deferred Bonus – Variable pay shall be in the form of Performance Bonus which will be calculated as a percentage of Fixed Pay. The evaluation on risk management parameters is an integral part of the Annual Performance Review process, forming part of Key Result Areas of the executives with suitable weightage. The inputs for assessment on these parameters will be independently provided by the Risk Management function of the Bank.

Employee Stock Options Plans – These are formulated on a mid to long-term basis by the Bank in accordance with SEBI and other Regulatory guidelines. The grant of ESOP shall be under approval from MD & CEO, which shall be subsequently ratified by the Board Remuneration Committee.

- d) Quantitative Disclosures on Remuneration for MD & CEO and other risk takers

There were 14 meetings of the N&RC held during the year ended March 31, 2019. The Bank had paid a remuneration of ₹3.35 million to the members of the N&RC for attending the meetings of the N&RC.

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(₹ in million)

	No. of employee	For the year ended March 31, 2019	No. of employees	For the year ended March 31, 2018
a) (i) Number of employees having received a variable remuneration award during the financial year. (refer Note below)	5	35.35	8	78.50
(ii) Number and total amount of sign-on awards made during the financial year.	-	-	-	-
(iii) Details of guaranteed bonus, if any, paid as joining/sign on bonus	-	-	-	-
(iv) Details of severance pay, in addition to accrued benefits, if any.	-	-	-	-
b) (i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.(refer Note below)	1	4.9	2	18.33
c) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred				
Total remuneration award	7	245.2	9	374.33
Of which Fixed Component	7	204.01	8	295.83
Of which Variable Component	4	41.19	8	78.50
Deferred	1	4.90	-	-
Paid	4	36.29	8	78.50
d) (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. (refer Note below)	1	4.90	2	18.33
(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments. (refer Note below)	1	15.00	-	-
(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments. (change in variable payout due to change in Market Conditions) (refer Note below)	-	-	-	-

Notes:

- Amounts disclosed represent variable pay paid during the year ended March 31, 2019 and March 31, 2018 for services rendered by the risk takers during the year March 31, 2018 and March 31, 2017 respectively. As the bonus pool for the year ended March 31, 2019 has not yet been allocated and accordingly, the deferred component for the risk takers is yet to be determined.
- Compensation for MD & CEO is as approved by the RBI and paid by the Bank to the MD & CEO. Compensation for other risk takers is as approved by the Bank.
- For the Financial Year ended March 31, 2019, 5,150,000 ESOP were issued to 4 risk takers (previous year: 6,50,000 esops to 6 risk-taker).

18.7.2 Movement in Floating Provisions

The Bank has not created or utilized any floating provisions during the financial year ended March 31, 2019 and financial year ended March 31, 2018. The floating provision as at March 31, 2019 was ₹ Nil (previous year: ₹ Nil).

18.7.3 Drawdown on Reserves

During the financial year ended March 31, 2019, the Bank has not drawn down any reserve. (previous year: ₹ Nil).

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18.7.4 Liquidity Coverage Ratio (LCR)

The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2018-19.

Particulars	Current Year											
	Quarter ended March 31, 2019*		Quarter ended December 31, 2018*		Quarter ended September 30, 2018*		Quarter ended June 30, 2018*		Total		Total	
	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value
(₹ in million)												
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		587,604.68		524,390.54		522,841.33		505,991.52				
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:												
(i) Stable deposits	44,934.58	2,246.73	41,663.30	2,083.16	39,549.03	1,977.45	36,750.33	1,837.52				
(ii) Less stable deposits	709,597.88	70,959.79	672,965.17	67,296.52	655,750.06	65,575.01	607,977.99	60,797.80				
3 Unsecured wholesale funding, of which:												
(i) Operational deposits (all counterparties)	945,332.24	426,691.60	908,437.95	405,633.84	896,161.86	398,871.02	875,248.44	405,079.68				
(ii) Non-operational deposits (all counterparties)	108,142.54	27,035.63	110,509.61	27,627.40	85,144.66	21,286.16	82,678.05	20,669.51				
(iii) Unsecured debt	837,189.70	399,655.96	797,928.34	378,006.44	811,017.20	377,584.85	792,570.39	384,410.16				
4 Secured wholesale funding	11,087.13	-	16,735.07	-	25,956.45	-	8,307.06	-				
5 Additional requirements, of which												
(i) Outflows related to derivative exposures and other collateral requirements	29,347.92	27,021.26	34,042.99	32,157.68	19,060.87	18,295.87	13,854.69	12,413.18				
(ii) Outflows related to loss of funding on debt products	26,439.73	26,439.73	31,354.21	31,354.21	17,871.51	17,871.51	12,238.09	12,238.09				
(iii) Credit and liquidity facilities	2,908.19	581.53	2,688.78	803.47	1,189.36	424.36	1,616.60	175.08				
6 Other contractual funding obligations	6,776.73	6,776.73	67,506.03	67,506.03	73,958.43	73,958.43	60,043.54	60,043.54				
7 Other contingent funding obligations	1,608,657.39	61,347.59	1,631,159.58	61,822.54	1,544,650.89	59,016.48	1,426,813.72	54,544.20				
8 Total Cash Outflows	3,416,733.87	656,043.70	3,372,510.08	636,499.77	3,255,087.59	617,694.26	3,028,995.77	594,715.91				
Cash Inflows												
9 Secured lending (e.g. reverse repos)	71,144.40	-	18,093.98	-	28,251.28	-	98,890.44	-				
10 Inflows from fully performing exposures	109,662.81	63,142.29	104,065.59	59,376.40	87,411.97	36,023.66	94,366.98	51,626.20				
11 Other cash inflows	63,126.23	63,126.23	64,319.15	64,319.15	55,814.10	55,814.10	42,290.02	42,290.02				
12 Total Cash Inflows	243,933.45	126,268.52	186,478.72	123,695.54	171,477.36	91,837.77	235,547.44	93,916.22				
13 TOTAL HQLA		587,604.68		524,390.54		522,841.33		505,991.52				
14 Total Net Cash Outflows		529,775.18		512,804.23		525,856.49		500,799.69				
15 Liquidity Coverage Ratio (%)		110.9%		102.3%		99.4%		101.0%				

* For all the quarters in the current year, the average weighted and unweighted amounts are calculated taking simple average of daily positions.

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The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2017-18.

Particulars	Quarter ended March 31, 2018 *		Quarter ended December 31, 2017 *		Quarter ended September 30, 2017 *		Quarter ended June 30, 2017 *		Previous Year Total Weighted Value
	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value	Unweighted Value	Total Weighted Value	
High Quality Liquid Assets	468,477.25	420,824.31	376,294.19	350,581.77					
1 Total High Quality Liquid Assets (HQLA)									
Cash Outflows									
2 Retail deposits and deposits from small business customers, of which:	590,780.00	55,606.81	552,467.44	51,839.55	48,344.81	486,671.00	45,624.69		
(i) Stable deposits	69,423.82	3,471.19	68,143.92	3,407.20	64,234.38	60,848.12	3,042.41		
(ii) Less stable deposits	521,356.17	52,135.62	484,323.52	48,432.35	45,133.09	425,822.88	42,582.29		
3 Unsecured wholesale funding, of which:	808,950.66	362,569.64	707,639.46	340,451.08	333,869.15	642,052.75	320,329.86		
(i) Operational deposits (all counterparties)	76,099.31	19,024.83	-	-	-	-	-		
(ii) Non-operational deposits (all counterparties)	732,851.35	343,544.81	707,639.46	340,451.08	333,869.15	642,052.75	320,329.86		
(iii) Unsecured debt	-	-	-	-	-	-	-		
4 Secured wholesale funding	12,096.76	-	16,876.56	-	5,709.79	-	9,487.66		
5 Additional requirements, of which	17,928.43	16,949.04	18,393.86	16,192.89	13,208.66	22,093.13	14,831.27		
(i) Outflows related to derivative exposures and other collateral requirements	16,840.22	16,840.22	15,948.33	15,948.33	12,839.88	14,024.40	14,024.40		
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-		
(iii) Credit and liquidity facilities	1,088.21	108.82	2,445.53	244.55	3,687.82	8,068.73	806.87		
6 Other contractual funding obligations	54,076.79	54,076.79	48,498.59	48,498.59	30,497.92	31,363.15	31,363.15		
7 Other contingent funding obligations	1,315,133.32	50,399.92	1,199,059.34	46,225.14	1,166,913.98	1,087,179.77	41,228.28		
8 Total Cash Outflows	2,798,965.95	539,602.19	2,542,935.25	503,207.24	470,655.12	2,278,847.47	453,377.26		
Cash Inflows									
9 Secured lending (e.g. reverse repos)	64,696.90	-	47,089.37	-	87,865.41	110,993.16	-		
10 Inflows from fully performing exposures	81,518.76	37,900.50	59,509.80	25,876.11	17,963.84	57,198.63	20,827.27		
11 Other cash inflows	42,835.91	42,835.91	40,445.29	40,445.29	37,219.86	35,621.31	35,621.31		
12 Total Cash Inflows	189,051.56	80,736.41	147,044.46	66,321.39	55,183.70	203,813.10	56,448.58		
13 TOTAL HOLA	468,477.25	420,824.31	376,294.19	350,581.77					
14 Total Net Cash Outflows	458,865.78	436,885.85	415,471.42	396,928.68					
15 Liquidity Coverage Ratio (%)	102.1%	96.3%	90.6%	88.3%					

* For all the quarters in the current year, the average weighted and unweighted amounts are calculated taking simple average of daily positions.

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The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 and November 28, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards" as amended for "Prudential Guidelines on Capital Adequacy and Liquidity Standards" dated March 31, 2015. The LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into 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 until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows by January 1, 2019. However, with a view to provide transition time, the guidelines mandate a minimum requirement of 60% w.e.f. January 1, 2015 and a step up of 10% every year to reach the minimum requirement of 100% by January 1, 2019.

- ▲ The adequacy in the LCR maintenance is an outcome of a conscious strategy of the Bank towards complying with LCR mandate ahead of the stipulated timelines. The maintenance of LCR, both on end of period and on a average basis, has been on account of multiple factors viz. increase in excess SLR, existing eligibility in Corporate Bond Investments, increase in Retail deposits and increase in non callable deposits.
- ▲ The Board of Directors of the Bank has empowered ALCO (Top Management Executive Committee) to monitor and strategize the Balance Sheet profile of the Bank. In line with the business strategy, ALCO forms an Interest Rate/Liquidity view for the bank with the help of the economic analysis provided by the in-house economic research team of the bank.

ALCO of the Bank channelizes various business segments of the Bank to target good quality asset and liability profile to meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank.

- ▲ Funding strategies are formulated by the ALCO of the Bank. The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs. Accordingly, BSMG (Balance Sheet Management Group) of the Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis under ALCO guidance. With the help of Structural and Liquidity Statement prepared by the Bank, BSMG evaluates liquidity requirement and takes necessary action. Periodical reports are also placed before the ALCO for perusal and review.
- ▲ The Bank's HQLA comprises of Excess CRR, Excess SLR, eligible foreign sovereign investments, Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) as permitted under prudential guidance and eligible Level 2 investments. The Bank has a very limited exposure to liquidity risk on account of its Derivatives portfolio. Further, the Bank believes that all inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR. Further, SLR investments as well as Corporate Bond portfolio of the Bank considered for HQLA is also well diversified across various instruments and Liquid Asset Type Mix and should provide the Bank with adequate and timely liquidity.

The daily average LCR for quarter ending March 31, 2019 is 110.9% which is comfortably above RBI prescribed minimum requirement of 100%.

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18.7.5 Intra-Group Exposures

The Bank has three subsidiary viz. "YES Securities (India) Limited, Yes Asset Management (India) Limited and Yes Trustee Limited". Below mentioned are details of Intra-Group Exposure as of March 31, 2019 and March 31, 2018.

Particulars	(₹ in million)	
	As of March 31, 2019	As of March 31, 2018
Total amount of intra-group exposures	7,500.00	2,150.00
Total amount of top-20 intra-group exposures	7,500.00	2,150.00
Percentage of intra-group exposures to total exposure of the bank on borrowers/customers (%)	0.15%	0.05%

During the year ended 31 March, 2019 and 31 March, 2018, the intra-group exposures were within the limits specified by RBI.

18.7.6 Transfers to Depositor Education and Awareness Fund (DEAF)

Particulars	(₹ in million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance of the amount transferred to DEAF	13.53	4.70
Add: Amounts transferred to DEAF during the year	20.06	8.83
Less: Amounts reimbursed by DEAF towards claims	0.75	-
Closing balance of amounts transferred to DEAF	32.83	13.53

18.7.7 Investor Education and Protection Fund

The unclaimed dividend amount due to be transferred to the Investor Education and Protection Fund (IEPF) during the year ended March 31, 2019 has been transferred without any delay.

18.7.8 Unhedged Foreign Currency Exposure of Bank's Customer

The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency product portfolio and encouraging them to hedge the unhedged portion. In line with the policy, assessment of unhedged foreign currency exposure is a part of assessment of borrowers and is undertaken while proposing limits or at the review stage. Additionally, at the time of sanctioning limits for all clients, the Bank stipulates a limit on the unhedged foreign currency exposure of the client (as a % of total foreign currency exposure sanctioned by the Bank) after considering factors such as internal rating of the borrower, size, possibility of natural hedging, sophistication of borrower and maturity of borrower's financial systems, relative size of unhedged foreign currency exposure with respect to total borrowings of the client, etc. Further, the Bank reviews the unhedged foreign currency exposure across its portfolio on a periodic basis. The Bank also maintains incremental provision and capital towards the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines.

The Bank has maintained provision of ₹537.52 million (previous year of ₹560.49 million) and additional capital of 1,297.78 million (previous year of ₹1,710.94 million) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2019.

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18.7.9 Provisioning pertaining to Fraud Accounts

The Bank has reported 107 cases of fraud in the financial year ended March 31, 2019 amounting to ₹1,939.69 million (Previous Year: 91 cases amounting to ₹9.51 million). The Bank has expensed off/provided for the expected loss arising from these frauds and does not have any unamortized provision.

18.7.10 Disclosure of complaints

A. Customer Complaints

	Year ended March 31, 2019	Year ended March 31, 2018
i) No. of Complaints pending at the beginning of the year	2,681	2,617
ii) No. of Complaints received during the year	110,301	84,580
iii) No. of Complaints redressed during the year	109,711	84,516
iv) No. of Complaints pending at the end of the year	3,271	2,681

Auditors have relied upon the information presented by management as above.

B. Awards passed by the Banking Ombudsman

	Year ended March 31, 2019	Year ended March 31, 2018
i) No. of unimplemented Awards at the beginning of the year	Nil	Nil
ii) No. of Awards passed by the Banking Ombudsman during the year	Nil	Nil
iii) No. of Awards implemented during the year	Nil	Nil
iv) No. of unimplemented Awards at the end of the year	Nil	Nil

18.7.11 Dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been ₹437.40 million worth bills which were paid with delays to micro and small enterprises. There have no demand of interest on these payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

18.7.12 Securitization Transactions

The Bank has not done any securitization transactions during the year ended March 31, 2019 and March 31, 2018.

18.7.13 Letter of comfort

The Bank has not issued any letter of comfort which is not recorded as contingent liability during the year ended March 31, 2019 and March 31, 2018.

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18.7.14 Software Capitalized under Fixed Assets

The Bank has capitalized software under Fixed Asset amounting to ₹1,578.12 million and ₹1,418.30 million during the financial year ended March 31, 2019 and March 31, 2018 respectively.

Particulars	(₹ in million)	
	As at March 31, 2019	As at March 31, 2018
At cost at March 31st of preceding year	3,722.63	2,488.26
Additions during the year	1,578.12	1,418.30
Deductions during the year	(3.99)	(183.93)
Depreciation to date	(2,974.02)	(1,939.86)
Net block	2,322.74	1,782.77

18.7.15 Provision for Long-Term contracts

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.

18.7.16 PSLCs sold and purchased during the ended March 31, 2019

Particulars	(₹ in million)			
	2018-19		2017-18	
	Purchased	Sold	Purchased	Sold
PSLC – Agriculture	-	-	-	-
PSLC – SF / MF	96,000.00	-	58,000.00	-
PSLC – Micro Enterprises	-	-	-	-
PSLC – General	68,000.00	-	12,800.00	-

18.7.17 Disclosure on complains

The Bank became aware in September 2018 through communications from stock exchanges of an anonymous whistle-blower complain alleging irregularities in the Bank's operations, potential conflicts of interests in relation to the former MD and CEO and allegations of incorrect NPA classification. The Bank conducted an internal enquiry of these allegations, which was carried out by management and supervised by the Board of Directors. The enquiry resulted in a report that was reviewed by the Board in November 2018. Based on further inputs and deliberations in December 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. The Bank, at the direction of the Audit Committee and with the assistance of this external firm, is continuing to analyze the allegations in the whistle-blower complaint and work is currently ongoing. Based on work done and findings till date, the Bank has not

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identified any material financial statement implications. The Bank will consider the implications of ongoing work in the next financial year as the examination of this matter is completed.

18.7.18 Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with inter-bank participants and 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 way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial 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 customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4.	Other items for which the Bank is contingently liable	Purchase of securities pending settlement, capital commitments, amount deposited with RBI under Depositor Education Awareness Fund (DEAF), bill re-discounting, Foreign Exchange Contracts (Tom & Spot)
5	PF Liability	In February 2019, the honorable Supreme Court of India in its judgment clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

Refer Schedule 12 for amounts relating to contingent liability.

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Prior period comparatives
previous year's figures have been regrouped where necessary to conform to current year classification.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors

YES BANK Limited

Venkataramanan Vishwanath

Partner

Membership No: 113156

Ravneet Gill

Managing Director & CEO
(DIN: 00091746)

Brahm Dutt

Chairman
(DIN: 05308908)

Ajai Kumar

Director
(DIN: 02446976)

Uttam Prakash Agarwal

Director
(DIN: 00272983)

Raj Ahuja

Group Chief Financial
Officer

Shivanand R. Shettigar

Group Company
Secretary

Mumbai

April 26, 2019

Independent Auditor's Report

To,
The Members of YES BANK Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of YES BANK Limited (hereinafter referred to as the "Holding Company" or "Bank") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, the consolidated profit and loss account, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of one subsidiary which was audited by the another auditor, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and consolidated cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 18.19 to the consolidated financial statements which describes the ongoing enquiry by the Holding Company into certain anonymous whistle blower allegations.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Identification of Non-Performing Assets ('NPAs') and Provisions on Advances Charge: ₹20,836 million for year ended 31 March 2019 Provision: INR 33,977 million at 31 March 2019	
<i>Refer to the accounting policies in the Consolidated Financial Statements: "Significant Accounting Policies - use of estimates" and "Note 18.5.3 to the Consolidated Financial Statements: Advances"</i>	

Key audit matter	How the matter was addressed in our audit
<p>Significant estimates and judgment involved</p> <p>Identification of NPAs and provisions in respect of NPAs and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to and guided by the minimum provisioning levels prescribed under the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time. The provision on NPA are also based on the valuation of the security available. In case of restructured accounts, provision is made for erosion/diminution in fair value of restructured loans, in accordance with the RBI guidelines. In addition, the contingency provision that the Bank has established in the current year on assets currently not classified as NPAs is based on management's judgment.</p> <p>We identified identification of NPAs and provision on advances as a key audit matter because of the level of management judgment involved in determining the provision (including the provisions on assets which are not classified as NPAs) and the valuation of the security of the NPA loans and on account of the significance to these estimates to the financial statements of the Bank.</p>	<p>Our key audit procedures included:</p> <p>Design/controls</p> <ul style="list-style-type: none"> ▲ Assessing the design, implementation and operating effectiveness of key internal controls over approval, recording and monitoring of loans, monitoring process of overdue loans (including those which became overdue subsequent to the reporting date), measurement of provisions, identification of NPA accounts and assessing the reliability of management information (including overdue reports). In addition, for corporate loans we tested controls over the internal ratings process, monitoring of stressed accounts including credit file review processes and review controls over the approval of significant individual impairment provisions. ▲ Evaluated the design, implementation and operating effectiveness of key internal controls over the valuation of security for NPAs and the key controls over determination of the contingency provision including documentation of the relevant approvals along with basis and rationale of the provision. ▲ Testing of management review controls over measurement of provisions and disclosures in financial statements. ▲ Involving our information system specialists in the audit of this area to gain comfort over data integrity and calculations, including system reconciliations.
	<p>Substantive tests</p> <ul style="list-style-type: none"> ▲ Test of details for a selection of exposures over calculation of NPA provisions including valuation of collaterals for NPAs as at 31 March 2019; the borrower-wise NPA identification and provisioning determined by the Bank and also testing related disclosures by assessing the completeness, accuracy and relevance of data and to ensure that the same is in compliance with the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning. ▲ We also selected a number of loans to test potential cases of loans repaid by a customer during the period by fresh disbursement(s) to these higher risk loans.

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> ▲ We selected a sample (based on quantitative and qualitative thresholds) of larger corporate clients where impairment indicators had been identified by management. We obtained management’s assessment of the recoverability of these exposures (including individual provisions calculations) and challenged whether individual impairment provisions, or lack of, were appropriate. This included the following procedures: ▲ Reviewing the statement of accounts, approval process, board minutes, credit review of customer, review of Special Mention Accounts reports and other related documents to assess recoverability and the classification of the facility; and ▲ For a risk based sample of corporate loans not identified as displaying indicators of impairment by management, challenged this assessment by reviewing the historical performance of the customer and assessing whether any impairment indicators were present.

Information technology

IT systems and controls

The Bank’s key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst, its multiple IT systems, five systems are key for its overall financial reporting.

In addition, large transaction volumes and the increasing challenges to protect the integrity of the Bank’s systems and data, cyber security has become a more significant risk in recent periods.

We have identified ‘IT systems and controls’ as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture.

Our key IT audit procedures included:

- ▲ We focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.
- ▲ We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.
- ▲ We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventive controls designed to enforce segregation of duties.
- ▲ For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process.

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> ▲ Other areas that were assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users and controls to ensure that developers and production support did not have access to change applications, the operating system or databases in the production environment. ▲ Security configuration review and related tests on certain critical aspects of cyber security on network security management mechanism, operational security of key information infrastructure, data and client information management, monitoring and emergency management.

Valuation of Financial Instruments (Investments and Derivatives)

Refer to the accounting policies in the Consolidated Financial Statements: “Significant Accounting Policies - use of estimates”, “Note 18.5.2 to the Consolidated Financial Statements: Investments” and “Note 18.5.6 to the Consolidated Financial Statements: Accounting for derivative transactions”

Subjective estimates and judgment involved

Investments

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 classified as HTM are carried at amortized cost. Where, in the opinion of management, a diminution other than temporary, in the value of investments has taken place, appropriate provisions are required to be made.

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines.

We identified valuation of investments as a key audit matter because of the management judgment involved in determining the value of certain investments (Bonds and Debentures, Commercial papers and Certificate of deposits, security receipts) based on the policy and model developed by the Bank, impairment assessment for HTM book and the overall significant investments to the financial statements of the Bank.

Our key audit procedures included:

Design/controls

- ▲ Assessing the design, implementation and operating effectiveness of management’s key internal controls over classification, valuation, and valuation models.
- ▲ Reading investment agreements/term sheets entered into during the current year, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments.
- ▲ Engaging our valuation specialists to assist us in evaluating the valuation models used by the Bank to value certain instruments and to perform, on a sample basis, independent valuations of the instruments and comparing these valuations with the Bank’s valuations.
- ▲ Assessed the appropriateness of the valuation methodology and challenging the valuation model by testing the key inputs used such as pricing inputs, measure of volatility and discount factors. Compared the valuation methodology to criteria in the accounting standards/RBI guidelines.

Key audit matter

Derivatives

The Bank has exposure to derivative products which are accounted for on fair value (mark-to-market) in the books of account.

The valuation of the Bank's derivatives, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, the valuation techniques for which use quoted market prices and observable inputs. Where such observable data is not readily available, then estimates are developed which can involve significant management judgment.

How the matter was addressed in our audit

Substantive tests

- ▲ For sample of instruments we re-performed independent valuation where no direct observable inputs were used. We examined and challenged the assumptions used, by considering the alternate valuation method and sensitivity of other key factors.
- ▲ Assessing whether the financial statement disclosures appropriately reflect the Bank's exposure to investments and derivatives valuation risks with reference to the requirements of the prevailing accounting standards and RBI guidelines.

Valuation of Financial Instruments (Investments and Derivatives)

We identified assessing the fair value of derivatives as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and the degree of judgment exercised by management in identifying the valuation models and determining the inputs used in the valuation models.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of the other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirement of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company 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 design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▲ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▲ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- ▲ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▲ Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group (company and subsidiaries) to cease to continue as a going concern.
- ▲ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▲ Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entity included in the consolidated financial statements, which have been audited by another auditor, such other auditor

remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the Section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of the audit report of the other auditor referred to in sub-paragraph (a) of the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹570 million as at 31 March 2019, total revenues of ₹39 million and net cash outflows amounting to ₹266 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the Management and our opinion on

the consolidated financial statements, insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-Section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (A) As required by Section 143(3) of the Act, based on our audit and the consideration of the report of the other auditor on separate financial statements of one subsidiary as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - (c) the consolidated balance sheet, the consolidated profit and loss account, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

- (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies none of the directors of the Group companies are disqualified as on 31 March 2019 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 with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- (B) 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 and based on the consideration of the report of the other auditor on separate financial statements of one subsidiary, as noted in the 'Other Matters' paragraph:
- i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on its consolidated financial position of the Group – Refer Schedule 12 and Note 18.21 to the consolidated financial statements;
 - ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18.17 to the consolidated financial statements in respect of such items as it relates to the Group;
 - iii. there have been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies during the year ended 31 March 2019.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):
- In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of one subsidiary company which was not audited by us, the remuneration paid during the current year by the subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us. Further, the Holding Company is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply to the Holding Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Venkataramanan Vishwanath

Mumbai
26 April 2019

Partner
Membership No: 113156

Annexure A

to the Independent Auditor's Report of even date on the consolidated financial statements of YES BANK Limited for the year ended 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of YES BANK Limited and its subsidiaries (collectively referred to as the 'Group') as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of YES BANK Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, as of that date.

In our opinion, the Holding Company and its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statement criteria established by the respective Company considering the essential components of internal control stated in 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 respective company'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 ("the Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 authorizations 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, is based on the corresponding report of the auditor of this company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
26 April 2019

Venkataramanan Vishwanath
Partner
Membership No: 113156

Consolidated Balance Sheet

as at March 31, 2019

(₹ in thousands)

	Schedule	As at March 31, 2019	As at March 31, 2018
Capital & Liabilities			
Capital	1	4,630,066	4,605,934
Reserves and surplus	2	264,244,035	252,919,138
Deposits	3	2,275,579,027	2,006,886,036
Borrowings	4	1,084,241,089	748,935,808
Other liabilities and provisions	5	179,901,880	111,149,620
TOTAL		3,808,596,097	3,124,496,536
Assets			
Cash and balances with Reserve Bank of India	6	107,977,369	114,257,489
Balances with banks and money at call and short notice	7	161,871,938	133,280,682
Investments	8	893,285,327	682,934,387
Advances	9	2,413,971,851	2,035,188,250
Fixed assets	10	8,298,874	8,372,959
Other assets	11	223,190,738	150,462,769
TOTAL		3,808,596,097	3,124,496,536
Contingent liabilities	12	6,541,617,385	5,818,302,701
Bills for collection		50,592,373	19,355,641
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
YES BANK Limited

Venkataramanan Vishwanath
Partner
Membership No: 113156

Ravneet Gill
Managing Director & CEO
(DIN: 00091746)

Brahm Dutt
Chairman
(DIN: 05308908)

Ajai Kumar
Director
(DIN: 02446976)

Uttam Prakash Agarwal
Director
(DIN: 00272983)

Raj Ahuja
Group Chief Financial
Officer

Shivanand R. Shettigar
Group Company
Secretary

Mumbai
April 26, 2019

Consolidated Profit and Loss Account

for the year ended March 31, 2019

	Schedule	For the year ended March 31, 2019	For the year ended March 31, 2018
(₹ in thousands)			
I. Income			
Interest earned	13	296,237,987	202,685,947
Other income	14	46,754,814	52,931,509
TOTAL		342,992,801	255,617,456
II. Expenditure			
Interest expended	15	198,112,872	125,294,301
Operating expenses	16	63,614,279	52,735,403
Provisions and contingencies	17	64,172,992	35,255,552
TOTAL		325,900,143	213,285,256
III. Profit			
Net profit for the year		17,092,658	42,332,200
Profit brought forward		103,695,292	79,189,628
TOTAL		120,787,950	121,521,828
IV. Appropriations			
Transfer to Statutory Reserve		4,300,697	10,561,409
Transfer to Capital Reserve		1,010,096	659,648
Transfer to Investment Reserve		6,707	-
Transfer to Investment Fluctuation Reserve		539,066	-
Dividend paid for previous year		6,223,989	5,488,101
Tax on Dividend paid for previous year		1,279,652	1,117,377
Balance carried over to balance sheet		107,427,743	103,695,292
TOTAL		120,787,950	121,521,828
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
Earning per share			
Basic (₹)		7.40	18.46
Diluted (₹)		7.33	18.09
(Face Value of Equity Share is ₹2/-)			

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
YES BANK Limited

Venkataramanan Vishwanath
Partner
Membership No: 113156

Ravneet Gill
Managing Director & CEO
(DIN: 00091746)

Brahm Dutt
Chairman
(DIN: 05308908)

Ajai Kumar
Director
(DIN: 02446976)

Uttam Prakash Agarwal
Director
(DIN: 00272983)

Raj Ahuja
Group Chief Financial
Officer

Shivanand R. Shettigar
Group Company
Secretary

Mumbai
April 26, 2019

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in thousands)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from Operating Activities		
Net profit before taxes	23,490,051	62,045,363
Adjustment for		
Depreciation for the year	3,054,514	2,323,569
Amortization of premium on investments	2,102,585	1,673,308
Provision for investments	6,824,889	2,599,443
Provision for standard advances	22,514,059	1,687,427
Provision/write-off of non-performing advances	25,669,535	10,792,641
Other provisions	2,767,116	397,075
(Profit)/Loss on sale of land, building and other assets	(3,947)	12,891
(i)	86,418,802	81,531,717
Adjustments for:		
Increase/(Decrease) in Deposits	268,692,991	578,311,598
Increase/(Decrease) in Other Liabilities	38,421,426	(1,058,963)
(Increase)/Decrease in Investments	(159,318,010)	(103,781,671)
(Increase)/Decrease in Advances	(404,453,136)	(725,041,549)
(Increase)/Decrease in Other assets	(49,363,644)	(25,122,220)
(ii)	(306,020,373)	(276,692,805)
Payment of direct taxes	(26,131,440)	(22,943,356)
Net cash generated from/(used in) operating activities (A) (i+ii+iii)	(245,733,011)	(218,104,444)
Cash flow from investing activities		
Purchase of fixed assets	(3,031,859)	(3,932,525)
Proceeds from sale of fixed assets	55,375	91,050
(Increase)/Decrease in Held To Maturity (HTM) securities	(59,960,403)	(83,607,484)
Net cash generated/(used in) from investing activities (B)	(62,936,887)	(87,448,959)
Cash flow from financing activities		
Increase in Borrowings	313,708,194	241,003,505
Tier II Debt raised	30,420,000	70,000,000
Innovative Perpetual Debt raised	(1,754,400)	54,150,000
Tier II Debt repaid during the year	(5,430,400)	(2,489,000)
Proceeds from issuance of Equity Shares (net of share issue expense)	953,472	1,420,167
Dividend paid during the year	(6,223,989)	(5,488,101)
Tax on dividend paid	(1,279,652)	(1,117,377)
Net cash generated from/(used in) financing activities (C)	330,393,225	357,479,194
Effect of exchange fluctuation on translation reserve (D)	587,809	65,803
Net increase in cash and cash equivalents (A+B+C+D)	22,311,137	51,991,595

Consolidated Cash Flow Statement

for the year ended March 31, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
	(₹ in thousands)	
Cash and cash equivalents as at April 1st	247,538,171	195,546,577
Cash and cash equivalents as at March 31st	269,849,307	247,538,171
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	107,977,369	114,257,489
Balances with Banks and Money at Call and Short Notice	161,871,938	133,280,682
Cash and cash equivalents as at March 31st	269,849,307	247,538,171

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors

YES BANK Limited

Venkataramanan Vishwanath

Partner

Membership No: 113156

Ravneet Gill

Managing Director & CEO

(DIN: 00091746)

Brahm Dutt

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(DIN: 00272983)

Raj Ahuja

Group Chief Financial

Officer

Shivanand R. Shettigar

Group Company

Secretary

Mumbai

April 26, 2019

Schedules

forming a part of Consolidated Financial Statements

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 1 - Capital		
Authorised Capital		
3,000,000,000 equity shares of ₹2/- each	6,000,000	6,000,000
20,000,000 preference shares of ₹100/- each	2,000,000	2,000,000
Issued, subscribed and paid-up capital		
2,315,033,039 equity shares of ₹2/- each	4,630,066	4,605,934
(March 31, 2018: 2,302,967,245 equity shares of ₹2/- each) [Refer Sch 18.6]		
TOTAL	4,630,066	4,605,934

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 2 - Reserves and Surplus		
I. Statutory Reserves		
Opening balance	44,633,403	34,071,994
Additions during the year	4,300,697	10,561,409
Deductions during the year	-	-
Closing balance	48,934,100	44,633,403
II. Share Premium		
Opening balance	100,058,339	98,679,248
Additions during the year [Refer Sch 18.6]	929,340	1,379,091
Deductions during the year [Refer Sch 18.6]	-	-
Closing balance	100,987,679	100,058,339
III. Capital Reserve		
Opening balance	4,524,481	3,864,833
Additions during the year	1,010,096	659,648
Deductions during the year	-	-
Closing balance	5,534,577	4,524,481
IV. Investment Reserve		
Opening balance	226,197	226,197
Additions during the year	6,707	-
Deductions during the year	-	-
Closing balance	232,904	226,197

Schedules

forming a part of Consolidated Financial Statements

	As at March 31, 2019	As at March 31, 2018
(₹ in thousands)		
V. Foreign Currency Translation Reserve		
Opening balance	25,486	(40,317)
Additions during the year	587,809	65,803
Deductions during the year	-	-
Closing balance	613,295	25,486
VI. Cash Flow Hedge Reserve		
Opening balance	(244,057)	(160,135)
Additions during the year	218,734	(83,922)
Deductions during the year	-	-
Closing balance	(25,323)	(244,057)
VII. Investment Fluctuation Reserve		
Opening balance	-	-
Additions during the year	539,066	-
Deductions during the year	-	-
Closing balance	539,066	-
VIII. Balance in Profit and Loss Account	107,427,739	103,695,291
TOTAL	264,244,035	252,919,138

	As at March 31, 2019	As at March 31, 2018
(₹ in thousands)		
Schedule 3 - Deposits		
A. I. Demand Deposits		
i) From Banks	17,301,403	14,602,217
ii) From Others	268,020,176	273,633,590
II. Savings Bank Deposit	467,112,348	443,504,509
III. Term Deposits		
i) From banks	184,849,906	112,971,241
ii) From others (incl. CD's issued)	1,338,295,194	1,162,174,479
TOTAL	2,275,579,027	2,006,886,036
B. I. Deposits of branches in India	2,274,432,000	2,005,954,161
II. Deposits of branches outside India	1,147,027	931,875
TOTAL	2,275,579,027	2,006,886,036

Schedules

forming a part of Consolidated Financial Statements

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 4 - Borrowings		
I. Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt		
A. Borrowing in India		
i) IPDI	90,020,000	91,560,000
ii) Tier II Borrowings	180,759,000	152,339,000
TOTAL (A)	270,779,000	243,899,000
B. Borrowings outside India		
i) IPDI	-	325,875
ii) Tier II Borrowings	6,215,786	11,172,824
TOTAL (B)	6,215,786	11,498,699
TOTAL (A+B)	276,994,786	255,397,699
II. Other Borrowings ⁽¹⁾		
A. Borrowings in India		
i) Reserve Bank of India	-	15,000,000
ii) Other banks	57,147,925	15,811,399
iii) Other institutions and agencies ⁽²⁾	345,669,057	187,167,910
TOTAL (A)	402,816,982	217,979,309
B. Borrowings outside India ⁽³⁾	404,429,321	275,558,800
TOTAL (A+B)	807,246,303	493,538,109
TOTAL (I+II)	1,084,241,089	748,935,808

(1) Secured borrowings are ₹4,996,813 thousands (March 31, 2018: ₹46,463,203 thousands).

(2) Including ₹302,872,244 thousands of refinance borrowing (March 31, 2018: ₹123,216,106 thousands) ₹16,450,000 thousands (March 31 2018: ₹16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹21,350,000 thousands (March 31, 2018: ₹21,350,000 thousands) of Long-Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

(3) Includes bonds of ₹32,909,865 thousand (March 31, 2018: ₹38,974,842 thousand) of Medium-Term Notes issued from International Business Unit (IBU) in GIFT city Gujarat to fund its growth.

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 5 - Other Liabilities And Provisions		
I. Bills payable	3,913,805	9,151,490
II. Inter-office adjustments (net)	-	-
III. Interest accrued	37,446,048	21,932,650
IV. Others (including provisions)		
- Provision for standard advances	32,007,968	9,493,909
- Country risk exposures	532,784	-
- Others	106,001,275	70,571,571
TOTAL	179,901,880	111,149,620

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(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 6 - Cash and Balances with Reserve Bank of India		
I. Cash in hand	6,333,912	6,226,739
II. Balances with Reserve Bank of India		
- In current account	101,643,457	108,030,750
- In other account	-	-
TOTAL	107,977,369	114,257,489

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 7 - Balances with Banks, Money at Call and Short Notice		
I. In India		
Balances with banks-		
i) in current accounts	2,157,843	787,042
ii) in other deposit accounts	790,390	189,134
Money at call and short notice		
i) with Banks	-	-
ii) with other institutions	-	-
iii) lending under reverse repo (RBI & Banks)	88,310,161	112,009,654
TOTAL (I)	91,258,393	112,985,830
II. Outside India		
i) in current account	39,148,020	14,494,277
ii) in other deposit account	-	-
iii) money at call and short notice	31,465,525	5,800,575
TOTAL (II)	70,613,545	20,294,852
TOTAL (I+II)	161,871,938	133,280,682

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(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 8 - Investments (Net of Provisions)		
A. Investments in India		
i) Government Securities	553,611,120	488,860,831
ii) Other approved securities	-	-
iii) Shares	429,168	643,782
iv) Debentures and bonds	154,985,441	145,045,609
v) Subsidiaries and/or joint ventures	-	-
vi) Others (CPs, CDs, Security Receipts, Pass through certificates etc.)	61,130,681	38,030,003
TOTAL (I)	770,156,410	672,580,225
B. Investments outside India		
i) Government Securities	120,595,843	3,445,612
ii) Shares	9,421	-
iii) Debentures and bonds	2,523,653	6,908,550
TOTAL (II)	123,128,917	10,354,162
TOTAL (I+II)	893,285,327	682,934,387

(₹ in thousands)

	As at March 31, 2019	As at March 31, 2018
Schedule 9 - Advances		
A.		
i) Bills purchased and discounted	42,078,951	39,543,292
ii) Cash credit, overdrafts and loans payable on demand	411,627,297	349,346,228
iii) Term loans	1,960,265,603	1,646,298,730
TOTAL	2,413,971,851	2,035,188,250
B.		
i) Secured by tangible assets (includes advances secured by fixed deposits and book debt)	1,960,480,829	1,477,525,720
ii) Covered by Bank/Government guarantees	10,366,160	5,996,099
iii) Unsecured ⁽¹⁾	443,124,862	551,666,431
TOTAL	2,413,971,851	2,035,188,250
¹ Includes advances of ₹128,510,880 thousands (March 31, 2018: ₹337,552,952 thousands) for which security documentation is either being obtained or being registered. As at March 31, 2019 advances amounting to ₹2,403,000 thousands (March 31, 2018: Nil) has been secured by intangible securities such as charge over the rights, licenses, authority, etc.		

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		(₹ in thousands)	
		As at March 31, 2019	As at March 31, 2018
C. I.	Advances in India		
i)	Priority sectors	539,338,050	446,472,144
ii)	Public sector	56,671	1,524,237
iii)	Banks	674,817	1,214,227
iv)	Others	1,685,204,048	1,441,912,028
TOTAL (I)		2,225,273,585	1,891,122,636
II.	Advances outside India		
i)	Due from Banks	431,707	1,716,986
ii)	(a) Bills purchased and discounted	-	-
	(b) Syndicated loans	30,796,065	142,348,628
	(c) others	157,470,494	-
TOTAL (II)		188,698,266	144,065,614
TOTAL (I) + (II)		2,413,971,851	2,035,188,250

		(₹ in thousands)	
		As at March 31, 2019	As at March 31, 2018
Schedule 10 - Fixed Assets			
I.	Premises		
	At cost as on March 31st of preceding year	378,031	378,031
	Additions during the year	-	-
	Deductions during the year	-	-
	Accumulated depreciation to date	(14,704)	(8,402)
TOTAL (I)		363,327	369,629
II.	Other Fixed Assets (including furniture and fixtures and software)		
	At cost as on March 31st of preceding year	15,319,476	11,802,938
	Additions during the year	3,245,135	3,963,415
	Deductions during the year	(259,173)	(446,876)
	Accumulated depreciation to date	(10,884,314)	(8,037,673)
TOTAL (II)		7,421,123	7,281,804
TOTAL (I+II)		7,784,450	7,651,433
	Capital work-in-progress	514,423	721,526
TOTAL		8,298,874	8,372,959

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	(₹ in thousands)	
	As at March 31, 2019	As at March 31, 2018
Schedule 11 - Other Assets		
I. Interest Accrued	39,050,909	25,169,413
II. Advance tax and tax deducted at source (net of provision)	4,894,170	1,721,287
III. Deferred tax asset (Refer Sch 18.14)	25,374,714	8,762,413
IV. Non-Banking assets acquired in satisfaction of claims	353,000	364,790
V. Others	153,517,945	114,444,866
TOTAL	223,190,738	150,462,769

	(₹ in thousands)	
	As at March 31, 2019	As at March 31, 2018
Schedule 12 - Contingent Liabilities		
I. Claims against the bank not acknowledged as debts	549,157	116,436
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	2,834,098,764	3,000,448,825
IV. Liability on account of outstanding derivative contracts		
- Single currency Interest Rate Swap	1,702,671,190	1,141,440,348
- Others	868,291,165	783,747,908
V. Guarantees given on behalf on constituents		
- in India	437,248,909	314,307,933
- Outside India	-	-
VI. Acceptances, endorsement and other obligations	390,140,737	411,689,385
VII. Other items for which the bank is contingently liable		
- Purchase of securities pending settlement	3,622,750	9,068,982
- Capital commitment	2,984,859	2,942,928
- Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	32,834	13,533
- Foreign exchange contracts (Tom & Spot)	300,477,020	154,526,423
- Bills Re-discounting	1,500,000	-
TOTAL	6,541,617,385	5,818,302,701

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2019 includes notional amount of ₹2,035,934,447 thousands and ₹407,303,929 thousands (previous year: ₹2,315,099,034 thousands and ₹318,672,816 thousands) guaranteed by CCIL representing 71.84% and 23.92% (previous year: 77.16% and 27.92%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

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	For the year ended March 31, 2019	For the year ended March 31, 2018
(₹ in thousands)		
Schedule 13 - Interest Earned		
I. Interest / discount on advances / bills	229,185,385	154,778,487
II. Income on investments	60,484,215	41,025,311
III. Interest on balances with Reserve Bank of India and other inter-bank funds	3,975,738	5,160,730
IV. Others	2,592,649	1,721,419
TOTAL	296,237,987	202,685,947

	For the year ended March 31, 2019	For the year ended March 31, 2018
(₹ in thousands)		
Schedule 14 - Other Income		
I. Commission, exchange and brokerage	36,352,664	42,070,717
II. Profit on the sale of investments (net)	3,174,838	5,134,739
III. Profit/(Loss) on the revaluation of investments (net)	-	-
IV. Profit/(Loss) on sale of land, building and other assets	3,947	(12,892)
V. Profit on exchange transactions (net)	1,570,297	2,315,709
VI. Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous income	5,653,068	3,423,236
TOTAL	46,754,814	52,931,509

	For the year ended March 31, 2019	For the year ended March 31, 2018
(₹ in thousands)		
Schedule 15 - Interest Expended		
I. Interest on deposits	136,826,853	93,824,814
II. Interest on Reserve Bank of India / inter-bank borrowings / Tier I and Tier II debt instruments	60,764,723	29,840,501
III. Others	521,297	1,628,986
TOTAL	198,112,872	125,294,301

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(₹ in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Schedule 16 - Operating Expenses		
I. Payments to and provisions for employees	25,381,132	22,346,642
II. Rent, taxes and lighting	4,237,407	4,587,562
III. Printing and stationery	425,902	372,953
IV. Advertisement and publicity	662,134	965,047
V. Depreciation on Group's property	3,054,514	2,323,569
VI. Directors' fees, allowances and expenses	46,613	21,423
VII. Auditors' fees and expenses	25,229	15,917
VIII. Law charges	90,931	60,940
IX. Postage, telegrams, telephones, etc.	648,219	604,812
X. Repairs and maintenance	423,286	348,022
XI. Insurance	2,079,092	1,512,828
XII. Other expenditure	26,539,820	19,575,688
TOTAL	63,614,279	52,735,403

(₹ in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Schedule 17 - Provisions & Contingencies		
I. Provision for taxation (Refer Sch 18.15)	6,397,393	19,713,163
II. Provision for investments	6,824,889	2,599,443
III. Provision for standard advances	22,514,059	1,687,427
IV. Provision/write-off for non-performing advances	25,669,535	10,792,641
V. Other Provisions	2,767,116	462,878
TOTAL	64,172,992	35,255,552

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18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

18.1 Background

YES BANK Limited (the 'Bank' or 'YES BANK') is a private sector bank promoted by the late Mr. Ashok Kapur and Mr. Rana Kapoor. YES BANK is a publicly held bank engaged in providing a wide range of banking and financial services. YES BANK is a banking company governed by the Banking Regulation Act, 1949. The Bank was incorporated as a limited company under the Companies Act, 1956 on November 21, 2003. The Bank received the licence to commence banking operations from the Reserve Bank of India ('RBI') on May 24, 2004. Further, YES BANK was included to the Second Schedule of the Reserve Bank of India Act, 1934 with effect from August 21, 2004. Also the Bank has a branch at International Financial Services Centre ('IFSC') at GIFT City, Gujarat ('IBU'). The Bank classifies transactions undertaken by IBU as overseas operation.

YES Securities (India) Limited was incorporated on March 14, 2013 as a wholly owned subsidiary of YES BANK Limited (YBL/Holding Company). The Company is a securities broker registered with Securities and Exchange Board of India since July 8, 2013. The Company also got SEBI registration as Category I Merchant Banker w.e.f. September 3, 2015. The Company offers, *inter alia*, trading/investment in equity, merchant banking and other financial products along with various value added services. The Company is member of National Stock Exchange (NSE) since May 2, 2013 and the Bombay Stock Exchange (BSE) since June 11, 2013.

Yes Asset Management (India) Limited was incorporated on April 21, 2017 as a wholly owned subsidiary of YES BANK Limited (YBL/Holding Company). The Company has entered into an investment management agreement with Yes Trustee Limited to act as the investment manager for any funds to be launched by Yes Mutual Fund. The Company is seeking registration from SEBI to launch Mutual fund operations.

Yes Trustee Limited was incorporated in Mumbai, India on May 3, 2017. The Company's principal activity is to act as trustee for funds (Yes Mutual Fund).

18.2 Principles of Consolidation

The consolidated financial statements comprise the financial statements of YES BANK Limited, and its subsidiaries, YES Securities (India) Limited, YES Asset Management (India) Limited and YES Trustee Limited which together constitute the 'Group'.

The Bank consolidates its subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs to the extent applicable on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure.

18.3 Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of The Group used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (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 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Group follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

18.4 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results

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could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

18.5 Significant accounting policies

18.5.1 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- ▲ Interest income is recognized in the profit and loss account on accrual basis, except in the case of non-performing assets and accounts under SDR / S4A. Interest on non-performing assets and accounts under SDR / S4A is recognized as per the prudential norms of the RBI. Penal Interest is recognized upon certainty of its realization.
- ▲ Dividend income is recognized when the right to receive payment is established.
- ▲ Commission on guarantees issued by the Bank is recognized as income over the period of the guarantee.
- ▲ Commission on Letters of Credit ('LC') issued by the Bank is recognized as income at the time of issue of the LC.
- ▲ Income on non-coupon bearing discounted instruments is recognized over the tenure of the instrument on a straight-line basis. In case of coupon bearing discounted instruments, discount income is recognized over the tenor of the instrument on yield basis.
- ▲ In case of Bonds and Pass Through Certificates, premium on redemption, if any, is amortized over the tenure of the instrument on a yield basis.
- ▲ Revenue from financial advisory services is recognized in line with milestones achieved as per terms of agreement with clients which is reflective of services rendered.
- ▲ Facility fees and loan processing fees are recognized when due and realizable.
- ▲ Other fees and commission are accounted for as and when they became due.
- ▲ Brokerage income is recognized as per contracted rate on execution of transaction on behalf of the customers on the trade date and is net off related sub brokerage expenses, service tax/GST and stock exchange expenses.
- ▲ Fee income from Investment banking/Merchant banking services are recognized based on completion of milestone as per the engagement letter. Further Fee income in relation to public issues/ other securities is recognized based on mobilization and intimation received from clients/intermediaries.
- ▲ Account opening income and other income is recognized on accrual basis.
- ▲ Fee for subscription based services are recognized as earned on a pro rata basis over the term of the plan.
- ▲ Management fees and income from investments are accounted for on accrual basis in accordance with the investment management agreement and SEBI (Mutual Fund) Regulations, 1996.
- ▲ Trusteeship fees are accounted for an accrual basis in accordance with the trust deed.

18.5.2 Investments

Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015.

Accounting and Classification

The Bank follows settlement date accounting for Investments. In compliance with RBI guidelines, all investments, are categorized as "Held for trading" ('HFT'), "Available for sale" ('AFS') or "Held to maturity" ('HTM') at the time of its purchase. For the purpose of disclosure in the balance sheet, investments are classified as disclosed in Schedule 8 ('Investments') under six groups (a) government securities (b) other approved securities (c) shares (d) bonds and debentures (e) subsidiaries and joint ventures and (f) others.

a) Cost of acquisition

Costs such as brokerage pertaining to investments, paid at the time of acquisition and broken period interest are charged to the profit and loss account as per the RBI guidelines.

b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that The Group intends to hold till maturity are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

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c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS / HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice-a-versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

d) Valuation

Investments categorized under AFS and HFT categories are marked to market (MTM) on a periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule 8 ('Investments') is recognized in the profit and loss account. The net appreciation, if any, in the category under each classification is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to periodic valuation of investments.

Investments received in lieu of restructured advances scheme are valued in accordance with RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. Depreciation on equity shares acquired and held by The Group under restructuring scheme is provided as per RBI guidelines.

Investments classified under the HTM category are carried at their acquisition cost and any premium over the face value, paid on acquisition, is amortized on a straight-line basis over the remaining period to maturity. Amortization expense of premia on investments in the HTM category is deducted from interest income in accordance with RBI Circular DBR. No.BPBC.6/21.04.141/2015-16 dated July 1, 2015. Where in the opinion of management, a diminution, other than temporary in the value of investments

classified under HTM has taken place, suitable provisions are made.

Treasury Bills, Commercial Paper and Certificates of deposit being discounted instruments, are valued at carrying cost.

Pass Through Certificates purchased for priority sector lending requirements are valued at Book Value in accordance with RBI guidelines.

The market/fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges and for Subsidiary General Ledger ('SGL') account transactions, the prices as periodically declared by Financial Benchmarks India Pvt. Ltd. (FBIL).

The market/fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FBIL. Further, in the case of unquoted bonds, debentures, pass through certificates (other than priority sector) and preference shares, valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA / FBIL.

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is netted in the Investment schedule. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit/Loss on settlement of the short position is recognized in the Profit and Loss account.

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.

Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity

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shares are valued at the break-up value if the latest balance sheet is available, else, at ₹1 per company, as per relevant RBI guidelines.

At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction company are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, The Group reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting date. In case of investment in Security Receipts on or after April 1, 2017 which are backed by more than 50% of the stressed assets sold by the bank, provision for depreciation in value is made at higher of – provisioning rate required in terms of net assets value declared by Reconstruction Company (RC)/ Securitization Company (SC) or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continue in the books of the Bank. All other investments in the Security Receipts are valued as per the NAV obtained from issuing RC / SC.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Investment in listed instruments of Real Estate Investment Trust (REIT)/Infrastructure Investment Trust (INVIT) is valued at closing price on a recognized stock exchange with the higher volumes. In case the instruments were not traded on any stock exchange within 15 days prior to date of valuation, valuation is done based on the latest NAV (not older than 1 year) submitted by the valuer.

Sovereign foreign currency bonds are valued using Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non-Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price, Bloomberg Generic price (BGN), Last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by Government of India ('GOI') is valued based on FBIL valuation.

Non-performing investments are identified and depreciation/provision are made thereon based on the RBI guidelines. Based on management assessment of impairment, The Group additionally creates provision over and above the RBI guidelines. The depreciation/provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit and Loss account until received.

e) Profit/Loss on sale of Investments

Profit/Loss on sale of Investments in the HTM category is recognized in the profit and loss account and profit thereafter is appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/Loss on sale of investments in HFT and AFS categories is recognized in the Profit and Loss account.

f) Accounting for repos/reverse repos

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) including liquidity adjustment facility (LAF) with RBI are treated as collateralized borrowing and lending transactions respectively in accordance with RBI master circular No. DBR.No.BP.BC.6/21.04.141/2015-16 dated July 1, 2015. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and second (reversal of first) leg reflects interest

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and is recognized as interest income/expense over the period of transaction.

Group also undertakes Repo and Reverse repo transactions from IFSC Banking Unit in GIFT City in Foreign currency Sovereign Securities and accounting is similar to the domestic repo transactions.

g) Investment fluctuation reserve

With a view to building up of adequate reserves to protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, advised all banks to create an IFR with effect from the FY 2018-19.

The amount transferred to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

18.5.3 Advances

Accounting and classification

Advances are classified as performing and non-performing based on the relevant RBI guidelines. Advances are stated net of specific provisions, interest in suspense, inter-bank participation certificates issued and bills rediscounted.

Provisioning

Provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level prescribed in relevant RBI guidelines. The specific provision levels for retail non-performing assets are also based on the nature of product and delinquency levels. Specific provisions in respect of non-performing advances are charged to the Profit and Loss account and included under Provisions and Contingencies.

As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. These also include provision for stressed sector exposures and provision for incremental

exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower. Such provisions are included in Schedule 5 – 'Other liabilities & provisions – Others'.

In respect of restructured standard and non-performing advances, provision is made for the present value of principal and interest component sacrificed at the time of restructuring the assets, based on the RBI guidelines.

Accounts are written-off in accordance with the Bank's policies. Recoveries from bad debts written-off are recognized in the Profit and Loss account and included under other income.

In case of loans sold to asset reconstruction company if consideration is more than net book value, The Group records the security receipts as investment at Net Book Value as per RBI guidelines.

The Group has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately Risk, High Risk and Very High Risk. The Group calculates direct and indirect country risk in line with the policy requirements. Indirect exposure is reckoned at 50% of the exposure in case of countries where the net funded exposure exceeds 1% of the Bank's total assets. Further, if the net funded exposure of The Group in respect of each country exceeds 1% of the Bank's total assets, provisioning is required to be made on exposure to such countries. Depending on the risk category of the country, provisioning is done on a graded scale ranging from 0.25% to 100% for exposures with contractual maturity greater than or equal to 180 days. In respect of short-term exposures with contractual maturity less than 180 days, 25% of the normal provision requirement is held.

18.5.4 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at the daily average closing rates and of non-integral

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foreign operations (foreign branches) at the monthly average closing rates.

Premia/discounts on foreign exchange swaps, that are used to hedge risks arising from foreign currency assets and liabilities, are amortized over the life of the swap.

Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). Foreign exchange contracts are stated at net present value using LIBOR/SWAP curves of the respective currencies with the resulting unrealized gain or loss being recognized in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market (MTM)) on a gross basis.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit/loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until the disposal of the net investment in the non-integral foreign operations.

In accordance with the RBI clarification, The Group does not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations.

Currency future contracts are marked to market daily using settlement price on a trading day, which is the closing price of the respective future contracts on that day. While the daily settlement prices is computed on the basis of weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the future contract or as may be specified by the relevant authority from time to time. All open positions are marked to market based on the settlement price and the resultant marked to market profit/loss is daily set.

18.5.5 Earnings per share

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share" notified under Section 133 of the Companies Act, 2013. Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares options outstanding during the period except where the results are anti dilutive.

18.5.6 Accounting for derivative transactions

Derivative transactions comprises forward rate agreements, swaps and option contracts. The Group undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

Cross currency interest rate swaps which are used by The Group to hedge its foreign currency borrowings have been designated as cash flow hedges and are measured at fair value. The corresponding gain or loss is recognized as cash flow hedge reserve. Further to match profit/loss on account of revaluation of foreign currency borrowing, the corresponding amount is recycled from cash flow hedge reserve to Profit and Loss account.

The Group follows the option premium accounting framework prescribed by FEDAI SPL – circular dated December 14, 2007. Premium on option transaction is recognized as income/expense on expiry or early termination of the transaction. Mark-to-market (MTM) gain/loss (adjusted for premium received/paid on option contracts) is recorded under 'Other Income'.

The amounts received/paid on cancellation of option contracts are recognized as realized gains/losses on options. Charges receivable/payable on cancellation/

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termination of foreign exchange forward contracts and swaps are recognized as income/expense on the date of cancellation/ termination under 'Other Income'.

Valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

The requirement for collateral and credit risk mitigation on derivative contracts is assessed based on internal credit policy. Overdues if any, on account of derivative transactions are accounted in accordance with extant RBI guidelines.

18.5.8 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, at the rates mentioned below-

Class of asset	Useful life of Assets as per Companies Act, 2013	Useful life of Assets as per Bank's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware ¹	6 years	3 years
Computer software*	6 years	4 years
Vehicles ¹	8 years	5 years
Furniture and Fixtures	10 years	10 years
Automated Teller Machines ('ATMs') ¹	15 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

* As per RBI Guidelines.

¹ Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

- ▲ Assets costing up to ₹5,000 are fully depreciated in the year of purchase.
- ▲ For assets purchased/sold during the year, depreciation is being provided on pro rata basis by the Bank.
- ▲ Improvements to leasehold assets are depreciated over the remaining period of lease.
- ▲ Reimbursement, if any, is recognized on receipt and is adjusted to the book value of asset and depreciated over the balance life of the asset.
- ▲ Whenever there is a revision in the estimated useful life of the asset, the unamortized depreciable

As per the RBI guidelines on 'Prudential Norms for Off-balance Sheet Exposures of Banks' a general provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions.

18.5.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit /functioning capability from/of such assets.

amount is charged over the revised remaining useful life of the said asset.

- ▲ The useful life of assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

18.5.9 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognized by debiting the

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profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the recoverable amount of the assets.

18.5.10 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of The Group to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

Compensated Absence

The employees of The Group are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees cannot encash unavailed/unutilized leave. The Group provides for leave encashment/compensated absences based on an independent actuarial valuation at the Balance Sheet date, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilization.

Gratuity

The Group provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Group accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognized in the Profit and Loss account.

Provident fund

In accordance with law, all employees of The Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and The Group contribute monthly at a pre determined rate. Contribution to provident fund are recognized as expense as and when the services are rendered. The Group has no liability for future provident fund benefits other than its annual contribution.

In February 2019, the honorable Supreme Court of India in its judgment clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Group has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

National Pension System (NPS)

The NPS is a defined contribution retirement plan. The primary objective is enabling systematic savings and to provide retirees with an option to achieve financial stability. Pension contributions are invested in the pension fund schemes. The Group has no liability for future fund benefits other than the voluntary contribution made by employees who agree to contribute to the scheme.

18.5.11 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term in accordance with Accounting Standard -19, Leases.

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18.5.12 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

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

18.5.13 Provisions and contingent assets/ liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Group or a present obligation that arises from past events that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Group does not recognize a contingent liability but discloses its existence in the financial statements

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, The Group creates a provision when there is a 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.

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 recognized 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.

18.5.14 Cash and Cash equivalent

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

18.5.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognized in the Profit and Loss account.

18.5.16 Debit and credit cards reward points

The Group estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

18.5.17 Bullion

The Group imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on a price quoted by the supplier. The Group earns a fee on such bullion transactions. The fee is classified in other income. The Group also deals in bullion on a borrowing and lending basis and the interest paid/ received thereon is classified as interest expense/ income respectively.

18.5.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

18.5.19 Segment information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

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18.5.20 Priority Sector Lending Certificates (PSLC)

The Group, in accordance with RBI circular FIDD.CO.Plan. BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in

priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

18.6 Capital

18.6.1 Equity Issue

During the financial year ended March 31, 2019, The Group has issued 12,065,794 shares pursuant to the exercise of stock option aggregating to ₹953.47 million (previous year: ₹1,378.65 million)

Movement in Share Capital

Share Capital	₹ in million)	
	As at March 31, 2019	As at March 31, 2018
Opening Share Capital	4,605.93	4,564.86
Addition due to exercise of Stock Option	24.13	41.07
Addition due to shares issued to QIP	–	–
Closing Share Capital	4,630.07	4,605.93

18.6.2 Proposed Dividend

The Board of Directors of the bank has recommended a dividend of ₹2 per equity share for approval by shareholders at the 15th Annual General Meeting. If approved, the total liability arising to The Group would

be ₹5,582.01 million, including dividend tax (previous year: ₹7,503.64 million). The actual dividend payout may however change due to equity shares options exercised by employees between the end of the financial year and the dividend declaration date.

18.7 Income Taxes

Provisions made for Income Tax during the year

Particulars	₹ in million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax expense	23,009.69	22,439.16
Deferred income tax credit	(16,612.30)	(2,726.00)
TOTAL	6,397.39	19,713.16

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18.8 Staff retirement benefits

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the Group's financial statements as of March 31, 2019 and March 31, 2018:

a) Changes in present value of Obligations

Particulars	(₹ in million)	
	As at March 31, 2019	As at March 31, 2018
Present Value of Obligation at the beginning of the year	1,155.37	902.92
Interest Cost	87.56	61.85
Current Service Cost	279.03	262.64
Past Service Cost	-	0.41
Benefits Paid	(83.96)	(108.47)
Actuarial (gain)/loss on Obligation	26.07	36.01
Present Value of Obligation at the end of the year	1,464.09	1,155.37

Changes in the fair value of plan assets:

Particulars	(₹ in million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at the beginning of the year	1,155.29	885.95
Adjustment to Opening Balance	-	4.25
Expected return on plan assets	80.78	61.93
Contributions	-	321.34
Benefits paid	(83.96)	(108.47)
Actuarial gain/(loss) on plan assets	(26.51)	(9.71)
Fair value of plan assets at the end of the period	1,125.60	1,155.29

The Bank has entire contribution of Gratuity Fund as Investments with Insurance Companies.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Net gratuity cost for the year ended March 31, 2019 and March 31, 2018 comprises the following components:

Particulars	(₹ in million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	279.03	262.64
Interest Cost	87.55	61.85
Expected Return on plan assets	(80.78)	(61.93)
Net Actuarial gain recognized in the year	52.59	45.72
Past Service Cost	0.09	0.41
Expenses recognized	338.48	307.14

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Experience History:

(₹ in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
(Gain)/Loss on obligation due to change in assumption	57.48	(70.88)	48.37	15.18	33.86
Experience (Gain)/Loss on obligation	(31.99)	113.80	32.76	(5.99)	(51.26)
Actuarial Gain/(Loss) on plan assets	(26.51)	(5.21)	8.46	(18.68)	(2.49)

The assumptions used in accounting for the gratuity plan are set out below:

(₹ in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate	7.05%~7.55%	7.4%~7.60%
Expected Return on Plan Assets	7.00%	7.00%~8.00%
Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
Future Salary Increases	10%~12.00%	12.00%
Disability	-	-
Attrition	8%-27%	6%-25%
Retirement	60 yrs	60 yrs

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset/liability

(₹ in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at the end of the period	1,125.60	1,155.29
Present Value of Obligation at the end of the year	1,464.09	1,155.38
Plan asset/(liability)	(338.49)	(0.09)

The Group is yet to determine future contribution to Gratuity fund for Financial Year 2019-20.

National Pension Scheme

The Bank has contributed ₹20.82 million for the year ended March 31, 2019 (March 31, 2018: ₹15.22 million) to NPS for employees who had opted for the scheme. The Bank has no liability for future fund benefits other than its annual contribution for the employees who agree to contribute to the scheme.

Provident Fund (PF)

The Bank has recognised in the profit and loss account ₹823.71 million for the year ended March 31, 2019 (March 31, 2018: ₹730.44 million) towards contribution to the provident fund.

Compensated absence

The Bank has recognised ₹174.07 million in the profit and loss account for the year ended March 31, 2019 (March 31, 2018: ₹53.85 million) towards compensated absences.

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18.9 Segment Results

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) – Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- ▲ **Treasury:** Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, Proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
- ▲ **Corporate/Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- ▲ **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers.
- ▲ **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2019 are set out below:

(₹ in million)					
Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	104,539.78	222,612.45	45,658.71	2,936.72	375,747.65
Less: Inter-segment					(32,759.28)
Revenue net of inter-segment					342,988.37
Result	35,460.35	14,183.39	(4,524.82)	884.69	46,003.61
Unallocated Expenses					(22,513.56)
Operating Profit					23,490.05
Income Taxes					6,397.39
Extraordinary Profit/(Loss)					-
Net Profit					17,092.66
Other Information:					
Segment assets	1,302,564.99	1,979,830.69	486,554.09	2,939.84	3,771,889.61
Unallocated assets					36,706.48
Total assets					3,808,596.10
Segment liabilities	1,081,751.87	1,411,265.34	947,394.05	2,112.79	3,442,524.05
Unallocated liabilities					366,072.04
Total liabilities					3,808,596.10

Other banking operations includes income from bancassurance business ₹868.16 million during year ended March 31, 2019.

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Segmental results for the year ended March 31, 2018 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	65,927.05	166,354.92	29,728.16	2,662.90	264,673.03
Less: Inter-segment					(9,044.10)
Revenue net of inter-segment					255,628.93
Result	29,460.99	54,753.48	(5,907.63)	1,223.37	79,530.21
Unallocated Expenses					(17,484.85)
Operating Profit					62,045.36
Income Taxes					19,713.16
Extraordinary Profit/(Loss)					-
Net Profit					42,332.20
Other Information:					
Segment assets	1,022,128.60	1,714,497.01	371,370.33	1,411.15	3,109,407.09
Unallocated assets					15,089.45
Total assets					3,124,496.54
Segment liabilities	751,075.32	1,261,035.68	750,850.50	5,311.04	2,768,272.54
Unallocated liabilities					356,224.00
Total liabilities					3,124,496.54

Other banking operations includes income from bancassurance business ₹767.80 million during year ended March 31, 2018.

Notes for segment reporting:

1. The business of the Bank is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).
2. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
3. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
4. The unallocated assets Includes tax paid in advance/tax deducted at source and deferred tax asset.
5. The unallocated liabilities include Share Capital, Reserves & Surplus and Tier I bond borrowings.
6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

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18.10 Related Party Disclosures

The Group has transactions with its related parties comprising of subsidiary, key management personnel and the relative of key management personnel

As per AS 18 "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Bank's related parties for the year ended March 31, 2019 are disclosed below:

Individuals having significant influence:

- ▲ Mr. Rana Kapoor, Managing Director & CEO (from April 1, 2018 to January 31, 2019)
- ▲ Mr. Ajai Kumar, Managing Director & CEO (from February 1, 2019 to February 28, 2019)
- ▲ Mr. Ravneet Gill, Managing Director & CEO (from March 1, 2019 to March 31, 2019)

Key Management Personnel ('KMP') (Whole-time Director)

- ▲ Mr. Rana Kapoor, Managing Director & CEO (from April 1, 2018 to January 31, 2019)
- ▲ Mr. Ajai Kumar, Managing Director & CEO (from February 1, 2019 to February 28, 2019)
- ▲ Mr. Ravneet Gill, Managing Director & CEO (from March 1, 2019 to March 31, 2019)

Enterprise where relative of whole time director having significant influence

- ▲ BW Businessworld Media Private Limited and Apex Club India Private Limited

The following represents the significant transactions between the Bank and such related parties including relatives of above-mentioned KMP during the year ended March 31, 2019:

Items/Related Party Category	Whole-time directors / individual having significant influence	Maximum Balance during the year	Relatives of Whole-time directors/ individual having significant influence	Maximum Balance during the year	(₹ in million)
					Enterprise where relative of whole time director having significant influence
Deposits	3.06*	15.62			
Interest paid	0.52				
Receiving of services					5.46
Dividend paid	270.00				

* Represents outstanding as of March 31, 2019.

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During the year ended March 31, 2019, the Bank has contributed ₹537.86 million (previous year ₹452.13 million) to YES Foundation. YES Foundation is an independent public charitable trust which undertakes social charitable activities. YES Foundation does not qualify as Related Party, as defined under the Accounting Standard 18 - Related Party Disclosure and RBI guidelines

The following represents the significant transactions between the Bank and such related parties including relatives of above-mentioned KMP during the year ended March 31, 2018:

(₹ in million)

Items/Related Party Category	Whole-time directors / individual having significant influence	Maximum Balance during the year	Relatives of Whole-time directors/ individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole time director having significant influence
Deposits	#	#	#	#	
Interest paid	#		#		
Receiving of services	#				6.02
Dividend paid	#				

In Financial Year 2017-18 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 the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks".

18.11 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2019 was ₹3,651.58 million (Previous year: ₹4,067.79 million). During the year ended March 31, 2019, the Group had paid minimum lease payment ₹3,661.08 million (Previous year: ₹3,723.92 million).

The following table sets forth, for the period indicated, the details of future rental payments on operating leases.

(₹ in million)

Lease obligations	As at March 31, 2019	As at March 31, 2018
Not later than one year	3,501.92	3,711.47
Later than one year and not later than five years	9,817.78	14,691.30
Later than five years	12,418.84	16,627.33
TOTAL	25,738.54	35,030.10

The Group does not have any provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

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18.12 Earnings Per Share ('EPS')

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings Per Share". The dilutive impact is mainly due to stock options granted to employees by the Bank.

The computation of earnings per share is given below:

	Year ended March 31, 2019	Year ended March 31, 2018
(₹ in million)		
Basic (annualized)		
Weighted average no. of equity shares outstanding	2,309,296,728	2,292,768,279
Net profit/(loss) (₹)	17,092.66	42,332.20
Basic earnings per share (₹)	7.40	18.46
Diluted (annualized)		
Weighted average no. of equity shares outstanding	2,331,418,688	2,339,752,831
Net profit/(loss) (₹)	17,092.66	42,332.20
Diluted earnings per share (₹)	7.33	18.09
Nominal value per share (₹)	2	2

The difference between weighted average number of equity shares outstanding between basic and diluted in the above mentioned disclosure is on account of outstanding ESOPs.

Basic earnings per equity share has been computed by dividing net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares options outstanding during the year, except where the results are anti-dilutive. The dilutive impact is on account of stock options granted to employees by the Bank. There is no impact of dilution on the profits in the current year and previous year.

18.13 ESOP Disclosures

Statutory Disclosures Regarding Joining Stock Option Scheme:

The Bank has Five Employee Stock Option Schemes viz.

- ▲ Joining Employee Stock Option Plan II (JESOP II),
- ▲ Joining Employee Stock Option Plan III (JESOP III),
- ▲ YBL ESOP (consisting of two sub schemes JESOP IV / PESOP I)

- ▲ YBL JESOP V/ PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/ PESOP II -2010).
- ▲ YBL Employee Stock Option Scheme, 2018 (YBL ESOS 2018) [Consisting of YBL Joining Employee Stock Option Plan, 2018 (JESOP 2018); YBL Performance Employee Stock Option Plan, 2018 (PESOP 2018); and YBL MD&CEO (New) Stock Option Plan, 2019 (MD&CEO Plan 2019)]

Effective from June 13, 2018, all new options have been granted under the YBL ESOS 2018 (which inter-alia consists of JESOP 2018, PESOP 2018 and MD & CEO Plan 2019). The YBL ESOS 2018 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time. Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options.

JESOP II and JESOP III were in force for employees joining the Bank up to March 31, 2006 and March 31, 2007 respectively. Grants under PESOP II had been discontinued w.e.f. January 20, 2010. Grants under JESOP IV/PESOP I and JESOP V/ PESOP II -2010 had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans.

Schedules

forming a part of Consolidated Financial Statements

In accordance with the various Employee Stock Option Plans/Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time:

JESOP/PESOP	ESOP Scheme	Exercise period
JESOP	JESOP II	50% after 3 years and balance after 5 years from the Grant date
	JESOP III	50% after 3 years and balance after 5 years from the Grant date
	JESOP IV	50% after 3 years and balance after 5 years from the Grant date
	JESOP V	50% after 3 years and balance after 5 years from the Grant date
	MD&CEO Plan 2019	20%, 30% & 50% each year, from end of 1st year from the Grant date
PESOP	PESOP I	25% after each year from the Grant date
	PESOP II	30%, 30% & 40% after each year from the Grant date
	PESOP II - 2010	30%, 30% & 40% each year, from end of 3rd year from the Grant date
	JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
	PESOP 2018	30%, 30% & 40% each year, from end of 3rd year from the Grant date

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

A summary of the status of the Bank's stock option plans as on March 31, 2019 and March 31, 2018 is set out below:

	As at March 31, 2019		As at March 31, 2018	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	46,257,335	15,963,100	64,802,165	20,614,950
Granted during the year	365,000	5,940,000	3,847,500	1,697,500
Exercised during the year	9,265,020	2,800,774	15,590,830	4,947,350
Forfeited/lapsed during the year	2,338,200	847,500	6,801,500	1,402,000
Options outstanding at the end of the year	35,019,115	18,254,826	46,257,335	15,963,100
Options exercisable	18,701,265	3,901,451	18,413,585	2,277,350
Weighted average exercise price (₹)	70.84	106.08	64.76	74.59
Weighted average remaining contractual life of outstanding option (yrs)	1.50	1.86	1.78	1.82

The group has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2019 and March 31, 2018. Had the Bank adopted the Fair Value method (based on Black-Scholes pricing model), for pricing and accounting of options, net profit after tax would have been lower by ₹375.18 millions (Previous year: ₹414.98 millions), the basic earnings per share would have been ₹7.24 (Previous year: ₹18.28) per share instead of ₹7.40 (Previous year: ₹18.46) per share; and diluted earnings per share would have been ₹7.17 (Previous year: ₹17.92) per share instead of ₹7.33 (Previous year: ₹18.09) per share.

Schedules

forming a part of Consolidated Financial Statements

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2019 and March 31, 2018.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Risk free interest rate	6.29% – 9.23%	6.29% – 9.23%
Expected life	1.5 yrs – 7.5 yrs	1.5 yrs – 7.5 yrs
Expected volatility	25.01% – 48.72%	25.01% – 48.72%
Expected dividends	1.20%	1.20%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.14 Deferred Taxation

The deferred tax asset of million ₹25,374.71 as at March 31, 2019 and ₹8,762.42 million as at March 31, 2018, is included under other assets and the corresponding credits have been taken to the profit and loss account.

The components that give rise to the deferred tax asset included in the balance sheet are as follows:

Particulars	(₹ in million)	
	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Depreciation	597.38	418.59
Provision for gratuity and unutilized leave	395.53	213.48
Provision for Non-performing Assets	9,779.42	2,930.53
Amortization of premium on HTM securities	1,035.72	1,025.76
Provision for standard advances	11,119.17	3,220.59
Other Provisions	2,447.48	953.47
Deferred tax asset	25,374.70	8,762.42

18.15 Provisions and Contingencies

The breakup of provisions of the Bank for the year ended March 31, 2019 and March 31, 2018 are given below:

Particulars	(₹ in million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for taxation	6,397.39	19,713.16
Provision for investments	6,824.89	2,599.44
Provision for standard advances	22,514.06	1,687.43
Provision made/write-off for non-performing advances	25,669.54	10,792.64
Others Provisions*	2,767.12	462.88
TOTAL	64,172.99	35,255.55

* Other Provisions includes provision made against other assets.

Schedules

forming a part of Consolidated Financial Statements

18.16 Dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been ₹437.40 million worth bills which were paid with delays to micro and small enterprises. There have no demand of interest on these payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

18.17 Provision for Long-Term contracts

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.

18.18 Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2019.

18.19 Disclosure on Complaints

The Bank became aware in September 2018 through communications from stock exchanges of an anonymous whistleblower complaint alleging irregularities in the Bank's operations, potential conflicts of interests in relation to the former MD and CEO and allegations of incorrect NPA classification. The Bank conducted an internal enquiry of these allegations, which was carried out by management and supervised by the Board of Directors. The enquiry resulted in a report that was reviewed by the Board in November 2018. Based on further inputs and deliberations in December 2018, the Audit Committee of the Bank engaged an external firm to independently examine the matter. The Bank, at the direction of the Audit Committee and with the assistance of this external firm, is continuing to analyze the allegations in the whistleblower complaint and work is currently ongoing. Based on work done and findings till date, the Bank has not identified any material financial statement implications. The Bank will consider the implications of ongoing work in the next financial year as the examination of this matter is completed.

18.20 Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiaries having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement.

18.20.1 Credit/Debit card reward points

Provision for credit card and debit card reward points for the year ended March 31, 2019

Particulars	₹ in million
Opening provision	112.12
Provision made during the year	180.73
Utilised/Write-back of provision	(59.18)
Closing provision	233.67

During financial year ending March 31, 2018, the Bank has expended ₹77.70 million for accumulated rewards points on credit and debit card.

The valuation of credit card and debit card reward points is based on actuarial valuation method obtained from an independent actuary.

Schedules

forming a part of Consolidated Financial Statements

18.20.2 Corporate Social Responsibility (CSR)

- a) Amount required to be spent by the Bank on CSR during the year ₹955.8 million (previous year: ₹772.21 million).
- b) Amount spent towards CSR during the year and recognized as expense in the Profit and Loss account on CSR related activities is ₹537.86 million (previous year: ₹452.13 million), which comprise of following –

(₹ in million)

	March 31, 2019			March, 31 2018		
	In cash	Amt unpaid /provision	Total	In cash	Amt unpaid /provision	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (i) above	470.78	67.08	537.86	397.89	54.24	452.13

18.20.3 Un-hedged / Uncovered Foreign Currency Exposures of the Group

The Group's foreign currency exposures as at March 31, 2019 that are not hedged/covered by either derivative instruments or otherwise are within the Net Overnight Open Position limit (NOOP) and the Aggregate Gap limit, as approved by the RBI. NOOP is ₹2,206.32 million as at March 31, 2019 (March 31, 2018 ₹1,354.82 million).

18.21 Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and 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 way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial 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 customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

Schedules

forming a part of Consolidated Financial Statements

Sr. No.	Contingent Liabilities	Brief
4.	Other items for which the Bank is contingently liable	Purchase of securities pending settlement, capital commitments, amount deposited with RBI under Depositor Education Awareness Fund (DEAF), bill re-discounting, Foreign Exchange Contracts (Tom & Spot).
5.	PF Liability	In February 2019, the honorable Supreme Court of India in its judgment clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgment retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability
Refer Schedule 12 for amounts relating to contingent liability.		

Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to current year classification.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors

YES BANK Limited

Venkataramanan Vishwanath

Partner

Membership No: 113156

Ravneet Gill

Managing Director & CEO
(DIN: 00091746)

Brahm Dutt

Chairman
(DIN: 05308908)

Ajai Kumar

Director
(DIN: 02446976)

Uttam Prakash Agarwal

Director
(DIN: 00272983)

Raj Ahuja

Group Chief Financial
Officer

Shivanand R. Shettigar

Group Company
Secretary

Mumbai

April 26, 2019

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Amount in ₹ '000)

1	Sl. No.		YES Securities (India) Limited	YES Asset Management (India) Limited	YES Trustee Limited
2	Name of the subsidiary				
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		NA	NA	NA
5	Share capital		800,000	745,000	5,000
6	Reserves & surplus		730,704	(206,789)	(1,775)
7	Total assets		3,557,110	570,205	3,522
8	Total Liabilities		2,026,406	31,994	298
9	Investments		-	300,000	-
10	Turnover		888,874	1,219	311
11	Profit / (Loss) before taxation		78,695	(161,001)	(1,114)
12	Provision for taxation		26,709	-	-
13	Profit / (Loss) after taxation		51,986	(161,001)	(1,114)
14	Proposed Dividend		-	-	-
15	% of shareholding		100%	100%	100%
1.	Names of subsidiaries which are yet to commence operations		NA	NA	NA
2.	Names of subsidiaries which have been liquidated or sold during the year- Nil				

Part "B": Associates and Joint Ventures

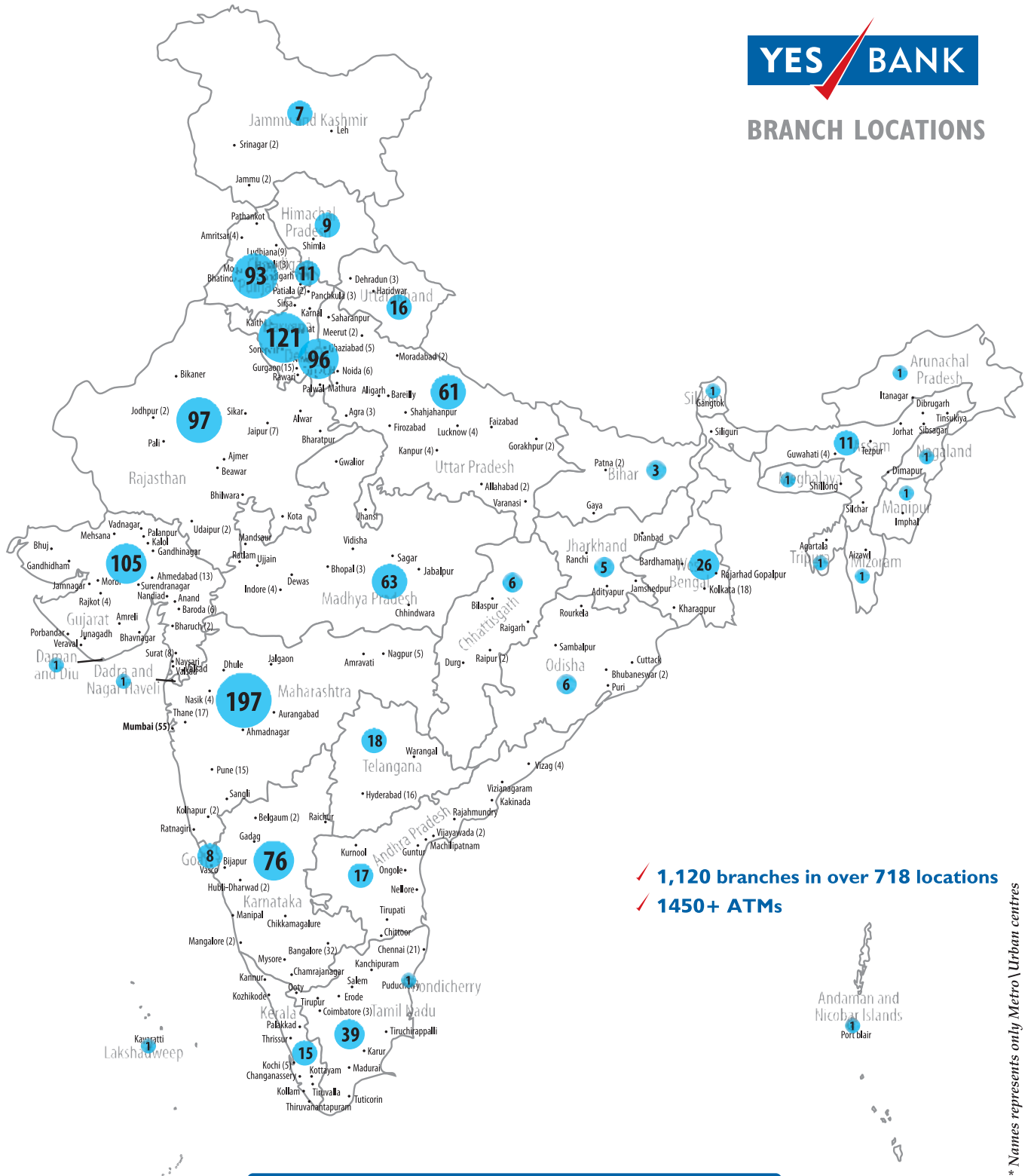
Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS – PILLAR III

In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' requires banks to make applicable Pillar 3 disclosures including leverage ratio under Basel III Framework. The Pillar III disclosures have not been subjected to review by the statutory auditors. The Bank has made these disclosures which are available on its website at the following link.

https://www.yesbank.in/pdf/basel_iii_disclosure_mar_31_2019.pdf



✓ 1,120 branches in over 718 locations
✓ 1450+ ATMs

* Names represents only Metro \ Urban centres

YES BANK Branch Network - 1,120 branches in over 718 locations

- North :** Adampur, Agra (3), Ajab, Ajnala, Aligarh, Alipur, Allahabad (3), Alwar, Amargarh, Ambala Cantt., Amritsar (4), Anandpur-Sahib, Anantnag, Anupshahr, Atali, Badli, Badshahpur, Baghpat, Bahadurgarh, Bahamndli, Banga, Bansur, Banur, Bara Banki, Barakhera, Baran, Bareilly, Barnala, Batala, Bawal, Begawal, Behror, Bhaini Chandepur, Bhadson, Bhaini Surjan, BhangRola, Bharan, Bharwanji, Bhatinda (2), Bhiwadi, Bhoopur, Bidari, Bina, Bishanpur, BudhLada, Chandigarh (11), Chavri Bazar, Cheeka, Dadar, Damdama, Dasna, Dasuya, Daula, Dayalbagh, Debal, Dehradun (3), Derabassi, Dhamar, Dhampur, Dhand, Dharamsala, Dharwad, Dharuhera, Dholpur, Dhor, Dhuri, Dopahriya, Dundahera, Dungarpur, Faridabad, Fatehabad, Fatehgarh Churiyan, Faizabad, Firozabad (2), Firozpur, Gajraula, Ganaur, Gangapur City, Garhi Bazidpur, Garhi Sansar, Gaurikhera, Ghaziabad (4), Goela Kalan, Gohana, Gorakhpur (2), Goraya, Greater Noida, Gulaothi, Gurdaspur, Gurgaon (15), Haileymandi, Harda, Haridwar, Hayatpur, Hoshangabad, Hoshiarpur, Indri, Jakhoda, Jalandhar (3), Jammu (2), Jandiiala, Jaspur, Jatal, Jatiyana, Jatoli, Jhajjar, Jhansi, Jind, Kabri, Kaithal, Kalka, Kangra, Kanakra, Kanoda, Kanpur (4), Kapurthala, Karauli, Karnal, Karol, Kartarpur, Kasana, Kasipur, Katra, Kerwa Jat, Khaiirhal, Khandewla, Khandas, Khanna, Kharak Jatan, Kharar (2), Khehra, Kherka Gujar, Kherla, Kherli, Kisangarh, Kishanpur, Kithoor, Kosi Kalan, Kulsai, Kunda, Kundli, Kurali, Lachhmanagar, Ladpur, Ladwa, Lawa Khurd, Leh, Lohian Khals, Lucknow (5), Ludhiana (9), Madlauda, Mahilpur, Malerkotla, Manali, Mandawar, Mandi, Mandi Gobindgarh, Manesar, Marot, Mathura, Mayur Vihar, Meerut (2), Mehra, Modinagar, Moga, Mohali (3), Moradabad (2), Morinda, Mukerian, Muksar, Mussorie, Nabha, Nakodar, Namuna, Nangal, Namaul, Narwana, Navarangpur, Nawada Fatehpur, Nawanshahr, Neemrana, New Delhi (96), Nilauthi, Noida (5), Nurmahal, Palwal, Panchkula (3), Panipat, Paonta Sahib, Pathankot, Patiala (2), Pehowa, Pelga, Phagwara, Phalodi, PhulAnwala, Pilana, Pinjore, Radaur, Rai, Rajdhani Endave, Rajgarh, Rajpura, Ramgarh, Ramanagar, Ratangarh, Rawatbhata, Rayya, Rehtoj, Rewari, Rishikesh, Rohtak, Roorkee, Rudrapur, Rupnagar (Ropar), Safidon, Saharanpur, Sahnewal, Samalkha, Samchana, Samrala, Sangrur Sankhol, Sardhana, Shahbad Shahjahanpur, Shahtkot, Shahjapur, Shakarpur, Shikarpur, Shimla, Shrinagar (Hathras), Shujapur, Siana, Sikanderpur, Siroa, Sohana, Solan, Sonapat, Srirangar (2), Sultampur Lodhi, Sunderpur, Taoru, Tigaon, Tohana, Toolera, Udhampur, Una, Umar Tanda, Varanasi, Wazirabad, Yamuna Nagar, Zirakpur (2)
- West :** Abu Road, Adalaj, Adgaon, Ahmadnagar, Ahmedabad (13), Ainpur, Ajmer, Amalner, Amravati, Amreli, Anand, Anandeshwar, Aurangabad, Bahadri, Bakla, Balyasan, Balotra, Balvampur, Banswara, Baramati, Bardoli, Bareilly, Barmer, Baroda (7), Bavla, Beawar, Belavli, Betul, Bhadole, Bhainsa, Bharuch, Bharatpur, Bhavnagar, Bhawani Mandi, Bhlwara, Bhinder, Bhinmal, Bhihmanagar, Bhopal (3), Bhorwadi, Bhuj, Bikaner, Bilara, Bodakdev, Bodeji, Borsad, Butibori, Calangute, Chakan, Chand, Chhindwara, Chikhli, Chimbhali, Chiplun, Chittaurgarh, Chomu, Curchoem, Dahej, Dahival, Dalpur, Daman, Dariba, Daund, Daud Khedi, Dausa, Deesa (M), Dehgam, Deogarh, Deolali, Deoli, Dewas, Dhanore, Dhar, Dhaturiya Haweli, Dhawat, Dhule, Dholka, Dwarka, Fatehgarh, Gandhidham, Gandhinagar, Ghodegoan, Gwalior, Halol, Hingangaon bk, Himmatnagar, Hukkeri, Igatpuri, Indapur, Indore (4), Itarsi, Jabalpur, Jaipur (8), Jaitaran, Jalgaon, Jalor, Jamkhandi, Jammnagar, Jamner, Jasaspar, Jhalawar, Jodhpur (2), Junagadh, Junnar, Juwadi, Kadi, Kadrama, Kalol, Kandli, Kannad, Kareli, Khanda, Kolhapur (2), Kota, Kotputli, Kudal, Kukrana, Kundewahad, Lalot, Lasalgaon, Lothada, Mahalingpur, Malasar, Mamdapur, Manawar, Mandalgarh, Mandideep, Mandasaur, Mangrol, Manjargan, Manur, Mapusa, Margao, Mehsana, Merta City, Morbi, Moviya, Mudhol, Mumbai Metropolitan Region (79), Nadlad, Nagaur, Nagda, Nagpur (5), Narsinghpur, Nashik (4), Nasirabad, Nathdwara, Navsari, NDA, Neem-Ka-Thana, Nidhrad, Niwai, Nokha, Osvik, Ozar, Padra, Palanpur, Pali, Pandhurna, Panjim, Parner, Pen, Pilani, Pipariya, Pithampur, Ponda, Por, Porbandar, Pune (15), Raies, Rajgarh (Dhar), Rajgurunagar (Khed), Rajkot (4), Rajsamand, Ramganj Mandi, Ratlam, Ratnagiri, Raver, Ravki, Roha, Rupal, Sachin, Sadatpura, Sangli, Sagar, Sanand, Santacruz (W) -SV Road, Savkheda, Savkheda bk, Sawai Madhopur, Sausar, Sehore, Senthwra, Sejawata, Seoni Mahal, Shahapur, Shahpura, Shirdome, Shri Durgargarh, Shiroli, Sikar, Silbassa, Simnar, Sojat Road, Sompur, Sringonda, Sumerpur, Surat (8), Surendranagar, Udaipur (2), Udaipurvati Ujjain, Umreth, Umrang, Ujjan, Vadaj, Vadgaon Kasba, Vadnagar, Vadsda, Valsada, Valabh Vidyanagar, Valad, Vapi, Varca, Vasco, Veraval, Vidisha, Vijapur, Virar, Visnagar, Vita, Wajui, Waranwadi, Washi, Weda
- South :** Ambur, Avargol, Belgaum (32), Bijapur, Belgaur (2), Chamranjanagar, Changanassery, Chennai (22), Chikkamangalur, Chikodi, Chittoor, Coimbatore (3), Dhawad, Devanahalli, Erode, Gudur, Haveri, Hosur, Hubli-Dharwad, Hyderabad (16), Kajjari, Kakinada, Kanchipuram, Kannur, Karatgi, Karur, Kavaratti, Kochi (5), Kollam, Koppal, Kottayam, Kozhikode, Kripirchi, Kurnool, Lingasgur, Ongole, Doty, Machilipatnam, Madurai, Malapuram, Mangalore (2), Manipal, Mamri, MVP Colony, Mysore, NAD Junction, Narsaraopet, Nellore, Palakkad, Pudukcherry, Raichur, Rajahmundry, Rameswaram, Salem, Shamsabad, Shanti Nagar, Sittapur, Sindhunur, Sirerubuduru, Suryapet, Thiruvananthapuram, Thrissur, Tiruchirappalli, Tirupati, Tirupur, Tiruvalla, Tiruplicane, Tuticorin, Vijayawada (2), Vizag (4), Vizianagaram, Warangal, Yadgir
- East :** Adityapur, Agartala, Aizawl, Asansol, Bardhaman, Bhubaneswar (2), Bidhan Nagar (2), Bilaspur, Chas -Bokaro, Cuttack, Dhanbad, Dibrugarh, Dimapur, Durg Bihari, Durgapur, Gangtok, Gaya, Guwahati (4), Howrah, Imphal, Itanagar, Jamshedpur, Jorhat, Kalyani, Kharagpur, Kolkata (18), Kurud, Patna (2), Port Blair, Puri, Raigarh, Raipur (2), Rajarhat-Gopalpur, Ranchi, Rourkela, Sambalpur, Shillong, Sibsagar, Silchar, Siliguri, Tezpur, Tinsukiya

The map does not purport to be the political map of India or any part of India.

ACHIEVING INSTITUTIONAL EXCELLENCE



Since inception in 2004, YES BANK has created a paradigm in Indian Banking, through continuous Innovation and Excellence. As a full-service commercial and retail Bank, we dedicate ourselves towards delivering the Finest Banking Experience in India.



1,120 Branches Pan India | 1,450+ ATMs | 21,000+ YES BANKers

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Website: www.yesbank.in, Tel: +91(22) 3366 9000, Fax: +91(22) 2421 4500, Email: communications@yesbank.in, CIN: L65190MH2003PLC143249