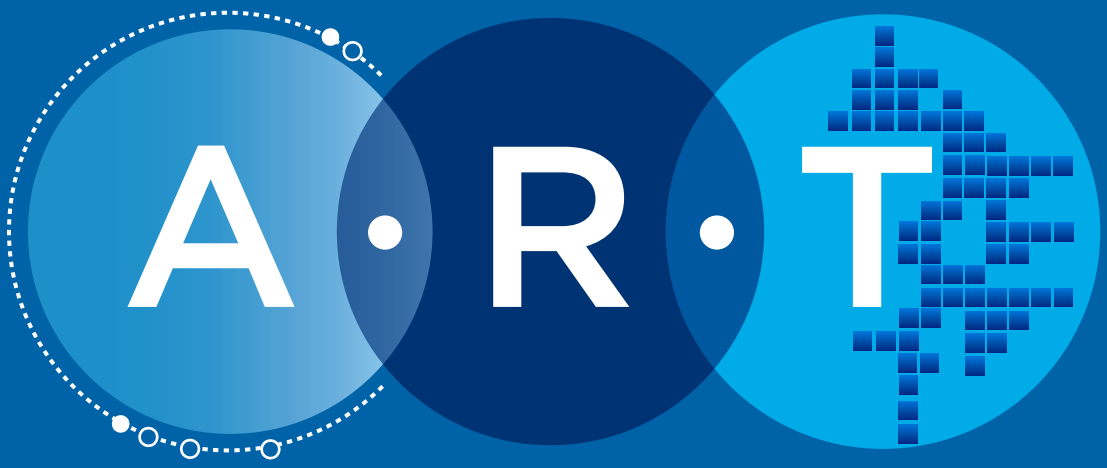
YES BANK LIMITED
ANNUAL REPORT 2016-17

YES BANK

The



Alliances **R**elationships **T**echnology

of Banking

AWARDS & RECOGNITIONS

Best Mid-Sized Bank, 2016, 2015, 2013, 2012, 2010, 2009 & 2008

Consistent Performer and Best Asset Quality - Large Sized Banks 2014

Business Today - KPMG India's Best Banks Annual Survey

Youngest Indian Company to be part of the **Forbes Global 2000 List 2016**

Strongest Bank in India by Balance Sheet, Switzerland, 2016, Singapore, 2015, Dubai, 2013, Singapore, 2012

Best Managed Bank in India for the 3-Year Period (2011-2013), Jakarta, 2013

The Asian Banker Awards

Porter Prize for Leveraging Unique Activity, 2016

Finance, Banking & Insurance, 2013

Institute for Competitiveness Award

Digital Bank of Distinction Corporate/Institutional Bank – Asia, London, 2016

Best Information Security Initiatives - Global Winner, New York - 2015

Global Finance Award.

Euromoney
Asia's Best Bank for CSR

Asia's Best Bank for CSR
Euromoney Excellence Awards, Hong Kong, 2016

ASIAMONEY

India's Best Bank for CSR
Asiamoney Excellence Awards, Hong Kong, April 2017

Best Renewable Energy Deal (Solar) India, 2016

Best Green bond Facility Highly commended India, 2016

The Asset Triple A Infrastructure Awards, Hong Kong

MSCI ESG

AAA rating for Environment, Social and Governance Excellence

MSCI ESG October, 2016

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Continues to be the First and Only Indian Bank included in

DJSI Emerging Markets Index, New York - 2016, 2015

Best Innovation & Sustainable Financial Products & Services, 2016

Outstanding Business Sustainability Achievement, 2015 & 2013

Karlsruhe Sustainable Finance Awards, Germany

Pioneer in Emerging Markets - India

Climate Bonds Initiative London Stock Exchange (LSE), London 2016

Payments Winner (Global)

Transaction Banking Awards, London, 2016, 2014

Best Bank for Payments and Collections - Asia Pacific

Best Treasury & Cash Management Banks and Providers Awards

Global Finance Awards, New York, 2017

India Domestic Trade Finance Bank of the Year, 2016, 2015

India Domestic Cash Management Bank of the Year, 2015

Asian Banking & Finance Wholesale Banking Awards, Singapore

Indian Banks' Association

'Best Technology Bank of the Year' - Medium Banks

Indian Banks' Association's (IBA) Banking Technology Awards, Mumbai, 2017

Best Corporate Payments Project in India - 2016

Best Trade Finance Bank in India - 2016, 2015

Best Corporate Trade Finance Deal in India - 2015

Best Cash Management Project in India - 2015

The Asian Banker Transaction Banking Awards

Only Bank in Private Sector Category

Business Superbrands 2016

India's Most Admired Brand in Private sector Bank category, 2016

India's Most Admired Brands

Brand Excellence (Banking and Financial Services) 2016, 2013, 2012, 2011 & 2010

Marketing Campaign of the Year 2013

Best use of Social Media 2013

Best Corporate Social Responsibility Practice (Overall) 2011 & 2010

CMO Asia Awards

View our Annual Report 2016-17 online

We provide our annual report online, which allows us to reduce the amount of paper we print and distribute.
https://www.yesbank.in/investor-relations/annual-reports.html

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ABOUT YES BANK

YES BANK is committed to its vision of

'BUILDING THE FINEST QUALITY BANK OF THE WORLD IN INDIA BY 2025'

having evolved its organizational ethos into the 'Professionals' Bank of India'

AT YES BANK, OUR DIFFERENTIATION BEGINS WITH A SINGLE WORD – YES.

YES BANK, India's 4th largest private sector bank is a high quality, customer centric, service driven, private Indian Bank catering to the Future Businesses of India. Since inception in 2004, YES BANK has fructified into a 'Full Service Commercial Bank' that has steadily built Corporate Banking, Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction Banking, Digital Banking and Wealth Management business lines across the country, and is well equipped to offer a range of comprehensive products and services to Corporate and Retail customers. YES BANK is headquartered in the Lower Parel Innovation District (LPID) of Mumbai, and now has a pan-India presence with a footprint of 1,000 branches and 1,800 ATMs across all 29 states and 7 Union Territories in India.

THE A.R.T. OF BANKING

ALLIANCES. RELATIONSHIPS. TECHNOLOGY

The word 'ART' typically invokes thoughts of brilliant visuals, esoteric images and aesthetics, the result of an artist's labor of love. However, an oft unnoticed and underappreciated aspect is the underlying technical skill and practice required to make ART come to life.

Banking is no different. For ages, Banking has been equated to Branches and ATMs and off late to Digital channels, Apps and wallets. However, all of the foregoing function on the bedrock of robust technology, processes and people.

FY 2016-17 was a tipping point of sorts, with the half-life of technology innovation reducing drastically in the Banking and Payments industry through disruptions from the challengers, as well as the incumbents. This disruption presented both challenges and inherent opportunities, requiring rapid transformation and fundamental re-platforming of the banking bedrock.

At YES BANK, our philosophy to capitalize on this resulted in adoption of the ART – Alliances, Relationships and Technology (ART) approach to Banking.

The ART approach manifests itself in different ways across the various business verticals and is aimed at helping us stay ahead of the banking curve:

- **Corporate & Retail Banking -** The Bank continues to focus on 'lifecycle banking' by building strong ***relationships*** with our corporate & retail clientele and serving their needs using emerging ***technologies***.
- **Digital Banking -** The approach has been to build ***Alliances*** and ***Relationships*** with new age start ups and FinTech companies in an effort to 'collaborate and co-create' solutions that bring the future of Banking to the present, through ***technology*** led Innovation.
- **Responsible Banking –** YES BANK partners closely with leading global leaders such as UNEP-FI, WBCSD, UNGC as well as stakeholders in India, to bring in global best practices on CSR and Sustainability into the Indian context
- **Financial Inclusion –** By building strong ***relationships*** with a network of Business Correspondents and partnering with Cooperative Banks, YES BANK is providing these institutions access to its technology infrastructure, with the aim of enabling Financial Inclusion
- **YES Global Institute –** A practicing think tank which is building a global network of ***relationships*** to focus on India's sustainable and inclusive socio-economic growth and development

At YES BANK, it is our strong belief that a Bank should play the role of an 'enabler' for the country's growth and to serve the varied financial requirements of corporate and retail customers with solutions based on superior technology and service experience.

The ART approach allows YES BANK to offer Banking as a platform and Banking as a Solution, thereby not only serving retail customers but also allowing Corporates and Startups to use the Bank's expertise to create differentiated path-breaking solutions. The Banking bedrock has the potential to create impact beyond the Banking industry, and YES BANK's A.R.T will serve as an engine driving this impact.

We remain firmly on course to achieve our institutional vision of "Building the Finest Quality Bank of the World in India by 2025", and also make meaningful contribution to India's socio economic development as we move forwards on this path.

FINANCIAL HIGHLIGHTS

TOTAL ASSETS

(₹ in crores)

FY17	**215,060**
FY16	165,263
FY15	136,170
FY14	109,016
FY13	99,104

21.4% CAGR

Increasing market share with improving granularity

SHAREHOLDERS FUNDS

(₹ in crores)

FY17	**22,054**
FY16	13,787
FY15	11,680
FY14	7,122
FY13	5,808

39.6% CAGR

Robust retained earnings

DEPOSITS

(₹ in crores)

FY17	**142,874**
FY16	111,720
FY15	91,176
FY14	74,192
FY13	66,956

20.9% CAGR

Healthy & granular deposit growth

CASA RATIO

(%)

FY17	**36.3**
FY16	28.1
FY15	23.1
FY14	22.0
FY13	18.9

42.2% CAGR

Strong traction in CASA resulting in an increase of 1,740 bps in 4 years

ADVANCES

(₹ in crores)

FY17	**132,263**
FY16	98,210
FY15	75,550
FY14	55,633
FY13	47,000

29.5% CAGR

Well Diversified portfolio with an improving Retail/Business banking mix

GROSS NPA

(%)

FY17	**1.52**
FY16	0.76
FY15	0.41
FY14	0.31
FY13	0.20

Resilient Asset Quality performance despite challenging environment

NET NPA

(%)

FY17	**0.81**
FY16	0.29
FY15	0.12
FY14	0.05
FY13	0.01

Reflective of Bank's robust Risk Management framework

CAPITAL ADEQUACY RATIO

(%)

FY17	**17.0**
FY16	16.5
FY15	15.6
FY14	14.4
FY13	18.3

Healthy capital ratios

NET INTEREST INCOME (₹ in crores)

FY17	**5,797**
FY16	4,567
FY15	3,488
FY14	2,716
FY13	2,219

27.1% CAGR

Robust NII Growth supported by healthy Advances growth

NON-INTEREST INCOME (₹ in crores)

FY17	**4,157**
FY16	2,712
FY15	2,046
FY14	1,722
FY13	1,257

34.8% CAGR

Continued traction in healthy and diversified Non-Interest Income growth

NET PROFIT (₹ in crores)

FY17	**3,330**
FY16	2,539
FY15	2,005
FY14	1,618
FY13	1,301

26.5% CAGR

PAT CAGR at a healthy 26.5% with improving granularity in earnings

NET INTEREST MARGIN (%)

FY17	**3.4**
FY16	3.4
FY15	3.2
FY14	2.9
FY13	2.9

Improving margins on the back of robust CASA growth & improving Retail mix

COST TO INCOME RATIO (%)

FY17	**41.4**
FY16	40.9
FY15	41.3
FY14	39.4
FY13	38.4

Steady Investments in infrastructure - branches, people, processes & technology

RETURN ON ANNUAL AVERAGE ASSETS (%)

FY17	**1.8**
FY16	1.7
FY15	1.6
FY14	1.6
FY13	1.5

RoA's at or above 1.5% for the 5 years

RETURN ON EQUITY (%)

FY17	**21.5**
FY16	19.9
FY15	19.0
FY14	25.0
FY13	24.8

Growth with quality, improving productivity and efficiency

BASIC EARNINGS PER SHARE (₹)

FY17	**78.9**
FY16	60.6
FY15	49.3
FY14	44.9
FY13	36.5

21.2% CAGR

Robust retained earnings

MESSAGE FROM THE NON-EXECUTIVE CHAIRMAN

Ashok Chawla,
Non-Executive Independent Part-Time Chairman

In the year 2016-17, YES BANK made immense progress and created a bouquet of Digital Banking products to offer an omni-channel Banking experience to the customers.

YES BANK has always believed that effective Corporate Governance forms the bedrock of Business Excellence in an organization.

Dear Shareholders,

While the Global economy continued to be fragile in FY 2016-17, the Indian economy consolidated the gains achieved in restoring macroeconomic stability. There has been robust policy support which has resulted in a renewed confidence in India, as has also been reiterated by leading multi-lateral institutions such as the International Monetary Fund (IMF).

The Government of India continued its reform agenda with focussed initiatives like the Smart Cities Mission, Digital India and improving the Ease of Doing Business. The policy measures should serve as a strong platform to ensure India asserts its position leading global economy. The Government has also unveiled measures to address the asset quality pressures and rising NPAs faced by the Banking industry.

The full impact of all these measures is expected to bear fruit over the next 4 to 6 quarters. At YES BANK, we are cognizant of the same and have further geared the machinery of the Bank to respond to the evolving needs of the economy.

The year, 2016-17 also marked an accelerated adoption of digital banking technologies on the back of the 'less cash' vision of the Government of India. The Bank created a bouquet of Digital Banking products to offer an omni-channel Banking experience to the new generation customers.

We have been prompt in identifying new avenues for growth; we have rapidly embraced new information-based technologies. However, what is of paramount importance is an increased recognition of the social responsibility of financial services providers. YES BANK is acutely conscious of this and is ahead of its peers in the journey to the new paradigm.

The cumulative result of all these initiatives is accolades from prestigious national and international bodies for its exemplary performance on multiple parameters - Business outcomes, Sustainability, Responsible Banking, Innovation, Technology and Human Capital.

YES BANK has always believed that effective Corporate Governance forms the bedrock of Business Excellence in an organization. The importance of this goes beyond mere adherence to rules & regulations.

My colleagues on the Board of Directors of the Bank are accomplished professionals with a proven track records in diverse fields. During the year, Ms. Radha Singh, Mr. M.R. Srinivasan, Mr. Ajay Vohra and Mr. Diwan Arun Nanda retired from the Board. I would like to thank them for their valuable contribution to the Board over the years. The current Board of Directors of the Bank comprises of total 7 Directors, including 5 Independent Directors, reaffirming the Bank's governance commitment. The Board of Directors of the Bank have maintained a strong ethical environment, and strive to establish best-in-class practices within the Indian banking system.

The Board of Directors of the Bank have maintained a strong ethical environment, and strive to establish best-in-class practices within the Indian banking system.

During the year under review, the Board of Directors had the opportunity to engage with senior management during various Board/ committee meetings. These provided the Board with an opportunity to understand the strength of the Bank's leadership and guide them to ensure long-term sustenance of business strategy while keeping in mind customer requirements.

The Board is confident that, with the initiatives taken during the year, Yes Bank would continue on its mission and vision of "Building the Finest Quality Bank of the World in India by 2025".

Ashok Chawla,
Non-Executive Independent
Part-time Chairman

MD & CEO'S COMMUNIQUE

Rana Kapoor,
Managing Director & CEO

FY 2016-17 was a significant year in YES BANK's lifecycle and we have made substantial progress towards achieving Size and Scale as a BIG Bank.

The Indian economy has successfully navigated through extant global uncertainties and emerged as a preferred destination for foreign investment

Dear Shareholders,

Since my last communication through YES BANK's Annual Report 2015-16, the economic and business landscape has undergone substantial changes. Global economic recovery remained fragile amidst generalized slowdown in cross border trade, rising political tendency towards protectionism, and subdued growth in productivity. Notwithstanding the resilience exhibited by global financial markets in the face of the Brexit referendum and the unanticipated US presidential election outcome, elevated levels of uncertainty continued to impact global risk appetite in 2016.

Overall, 2016 ended with World GDP growth moderating to 3.1% from 3.2% in 2015. Going forward, the IMF expects World GDP growth to improve towards 3.4% 2017, on the back of projected fiscal stimulus in the US, firming up of global commodity prices after the slump in 2015, and unchanged accommodative monetary policy stance in most of the developed economies, barring US, which is expected to take calibrated steps towards further policy normalization in 2017.

In contrast, the Indian economy has successfully navigated through extant global uncertainties and emerged as a preferred destination for foreign investment. Overall macroeconomic position has strengthened with policy support over the last two years moving towards providing structural strength and imparting efficiency. Multilateral institutes like the IMF and the World Bank have endorsed India as a 'bright spot' in today's global economy amid 'profound' reforms.

The year 2016-17 was marked by a variety of institutional and behavioral reforms like implementation of the Insolvency and bankruptcy Code, creation of Monetary Policy Committee, redesigning of the FRBM framework, passage of GST, and last but not the least, the policy thrust towards a less-cash formal

economy. In addition, the trend of benign inflation and continued improvement in twin deficits further boosted the macroeconomic appeal.

India's economic prospects for FY18 appear optimistic with policymakers creating enablers for strong and sustainable growth in the medium to long-term. Government's commitment towards reforms, implementation of Seventh Pay Commission payout by State Governments, ongoing quality fiscal consolidation, and marginal improvement in external demand is expected to boost GDP growth by 20 bps to 7.3%. Growth momentum is likely to accelerate in the second half of 2017-18 amid rapid pace of ongoing re-monetization and trickle-down impact of past policy reforms.

In March 2017, YES BANK consummated India's largest private sector Qualified Institutional Placement (QIP) in INR terms, having raised ₹ 4,906.65 Cr (USD 750 mn)

FY 2016-17 was a significant year in YES BANK's lifecycle and we have made substantial progress towards achieving Size and Scale as a BIG Bank, with a firmly embedded Digital Banking ethos, and a focus on Quality.

Since inception, YES BANK has dedicated itself to revolutionizing the 'Banking Experience' in our country India. Our differentiated 'Knowledge Banking' philosophy has helped us build long-lasting relationships with the top corporate houses, emerging corporates and MSMEs, and the use of state-of-the-art technology and innovation has helped us build comprehensive, customized solutions tailored to the unique needs of our clients.

We have also made significant investments in ensuring an omni-channel experience for our retail customers by supplementing our rapidly expanding branch footprint with a bouquet of offerings across the Digital value chain.

By embracing the A.R.T. - Alliances and Relationships driven by Technology - philosophy, YES BANK is bringing in the future of Banking to the present by partnering with FinTech start-ups and technology innovators from across the globe. Our belief in partnerships to further the ecosystem emanates from the ideology to "Collaborate and Co-create" to actualize path breaking solutions for Indian banking.

In January 2017, YES BANK along with its partners IBM and Cateina Technologies pioneered a unique Vendor Financing solution using the Blockchain technology. An industry-first solution, it reduces the processing time for Supply Chain finance from 4 days to almost real-time. Blockchain, combined with the power of API Banking has the potential to create a paradigm shift in B2B transactions and revolutionizing the world of Transaction Banking.

In FY 2016-17, the Bank raised capital across a wide array of transactions partnering with leading national and international institutions.

YES BANK, raised ₹ 330 crores (approx. USD 50 millions equivalent) through an issue of a 7-year Green Infrastructure Bonds to FMO, the Dutch Development Bank, on a private placement basis.

In March 2017, YES BANK consummated India's largest private sector Qualified Institutional Placement (QIP) in INR terms, having raised ₹ 4,906.65 crores (USD 750 millions) from marquee Institutional Investors from USA, Canada, Europe, Asia and India. The QIP has significantly boosted our capital adequacy and ensured that YES BANK is well positioned to capitalize on the opportunities provided by the re-invigorated economic environment in India.

YES BANK also raised ₹ 3,000 crores via Basel III Compliant AT-1 Bonds against a base issue size of

MD & CEO'S COMMUNIQUE (CONTD.)

₹ 2,100 crores. The bonds which were issued in December 2016 witnessed participation from Insurance Companies, Mutual Funds, Pension Funds, Provident Funds, Banks amongst others. Combined, the two transactions represented approx. USD 1.2 billions of Tier-I Capital raised by YES BANK in FY 2016-17.

Continuing our leadership in Green Financing, YES BANK, raised ₹ 330 crores (approx. USD 50 millions equivalent) 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 1st Investment in a Green Bond issued by a bank in India.

In September 2016, YES BANK also raised ₹ 2,135 crores via issue of long-term Infrastructure Bonds, against the base issue size of ₹ 1,000 crores. The proceeds from the Infrastructure Bonds will be used to finance long-term projects in Infrastructure and its allied sub-sectors, in accordance with the guidelines issued by the Reserve Bank of India.

In terms of Human Capital, the Bank now has over 20,000 Professional Entrepreneurs working towards the Bank's vision and evolving our organizational character as the 'Professionals' Bank of India'.

RESPONSIBLE BANKING

In today's increasingly interconnected societies and economies, the solution to our shared challenges and ambitions requires a collective, 'glocal' approach that is driven through 'Alliances, Relationships and Technology' (A.R.T). At YES BANK, since inception, the ethos of responsible banking has remained the mainstay of its single-minded focus on inclusive and sustainable growth, by weaving sustainability principles into its core operations and expanding its alliances for India's development. As a core plank that runs across all functions of the Bank, it is firmly integrated with our business strategies, approaches & targets, enabling it to create shared stakeholder value both in the near and long-term.

20,000+

Professional Entrepreneurs working towards the Bank's vision and evolving our organizational character as the 'Professionals' Bank of India'.

COP22

At the COP22 in Marrakech, Morocco, your Bank's CSR project, 'Say YES to Sustainable MSMEs in India' was highlighted as a Role Model case study by the World Resources Institute, and showcased at the Conference's India Pavilion.

YES BANK is a signatory to key protocols focused on climate action and sustainable development, including the UN Environment Programme Finance Initiative (UNEP FI), Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Natural Capital Finance Alliance, and member of influential national and global alliances including the India GHG Program, TERI Council for Business Sustainability, and the World Business Council for Sustainable Development.

Marking its presence at the highest level of global discussions, YES BANK spoke at the UN High-Level Thematic Debate at the UN General Assembly in New York in April 2016. In addition, the Bank was also invited as the Lead Discussant to the UN Private Sector Forum at the UN General Assembly in September 2016.

YES BANK was the only Indian bank to be invited to speak at the G20 ESG Workshop in Berne, Switzerland and it participated in the World Bank Group's Dialogue for Climate Action in Vienna, in May 2016.

Significantly, at the COP22 in Marrakech, Morocco, your Bank's CSR project, 'Say YES to Sustainable

MSMEs in India' was highlighted as a Role Model case study by the World Resources Institute, and showcased at the Conference's India Pavilion.

The Bank was included in the DJSI Emerging Markets Index for the 2nd consecutive year in 2016, and continues to be the only Indian Bank in the DJSI. In a significant achievement, the Bank was assigned an ESG rating of AAA by MSCI ESG Research, assessing the Bank on pertinent Environmental, Social and Corporate Governance parameters. This year, your Bank became the first bank globally to migrate to the latest ISO 14001:2015 certification, which now covers your Bank's 444 Metro-Urban branches and 3 corporate offices.

YES BANK's CSR programs continue to be guided at the highest level by its Board approved CSR Policy. YES COMMUNITY, the Bank's unique branch-led community engagement program, touched 20 lakh lives in 2016-17. Its Livelihood and Water Security program provided access to safe and clean drinking water to more than 3.66 crore lives in Maharashtra, Delhi and Goa. The bank's interventions in the MSME sector on environmental sustainability impacted 2,229 MSME units and over 10,425 workers in 11 states.

I am proud to share that 'YES! i am the CHANGE', the social film making challenge by YES FOUNDATION, has achieved unparalleled success, with participation of over 13 lakh individuals comprising 3.24 lakh teams, submitting over 29,000 films, and the launch of a new initiative, the YES FOUNDATION Social Film Grant, in FY 2016-17.

YES BANK is the first Indian Bank to release its Sustainability Report adhering to the newly released GRI Standards, while continuing to report as per the Integrated Reporting framework and at the GC Advanced level of the UN Global Compact.

Towards advancing the adoption of sustainability reporting in India, YES BANK is a member of the <IR> Lab India of the International Integrated Reporting Council, and is a member of the Advisory Group for GRI's South Asia regional hub.

RECOGNITION FOR OUR INITIATIVES

YES BANK continued to garner multiple recognitions nationally and internationally from prestigious publications, advisory houses and independent bodies. In June 2016, YES BANK became the youngest Indian company to be a part of the Forbes Global 2000 List of World's Top Companies 2016. YES BANK is also one of the youngest Banks globally to have become a part of this elite list of global companies.

At the Business Today - KPMG India's Best Banks, YES BANK was adjudged India's Best Mid-Sized Bank for 2016. This was the 8th year in a row that YES BANK has been recognized at these marquee awards of the Indian Banking industry. The Banker, London recognized YES BANK as the Global Winner in the 'Payments' Category at its Transaction Banking Awards 2016.

THE WAY FORWARD

I would like to acknowledge and thank Ms. Radha Singh, Mr. M.R. Srinivasan, Mr. Ravish Chopra and Mr. Diwan Arun Nanda for their contributions and impeccable guidance as part of YES BANK's board over the years.

As we embark towards the next financial year, YES BANK is fully equipped to actualize our strategy of building a strong Corporate & Retail Banking franchise with Digital presence across the customer value chain and at every touch-point.

With support from valued shareholders such as yourself and all our stakeholders including clients and partners, YES BANK is committed to ensuring a culture of Professional Entrepreneurship as we move towards our vision of 'Building the Finest Quality Bank of the World in India by latest 2025.

Thank you.
Sincerely,

Rana Kapoor
Managing Director & CEO

DIGITAL BANKING

The Banking sector is witnessing an accelerated pace of innovation and technology adoption as well as a spurt in the banking options available to corporate and retail customers.

As a pioneer in employing technology to revolutionize the Banking experience in India, YES BANK has realized the need to be ahead of the innovation curve in such a dynamic landscape, and has adopted the A.R.T – Alliances, Relationships and Technology approach to achieve this.

YES BANK's Digital Banking strategy is geared towards achieving one or more of 4 primary objectives:

- Deepening relationships with our clients through omni channel offerings.
- Addressing untapped/ new Business Lines/ customer segments
- Realizing improved operational efficiencies and cost reduction
- Continuously improve Customer Service and experience, and augment security of the Bank's Customers.

During FY 2016-17, YES BANK undertook multiple initiatives reinforcing its Digital Banking leadership

UNIFIED PAYMENTS INTERFACE

YES BANK has built a state-of-the-art UPI system and partnered with multiple Start-ups to enable the UPI Ecosystem including PhonePe, Capital Float, InstaFeez and Trupay. Over 20 millions YES BANK partner apps have been downloaded, resulting in market leadership with a 30% share in UPI transactions.

CHATBOTS

The YES PAY Wallet is the 1st wallet in the country to be powered by an Artificial Intelligence enabled chatbot which allows users to perform transactions in an easy, intuitive manner.

SMART CITIES

YES BANK has launched Nashik and Udaipur City Prepaid Card Program for facilitation of Digital Payments for Government to Citizen (G2C) services of respective Municipal Corporations. YES BANK will also extend this to other cities shortlisted under the Government of India's Smart Cities mission.

YES FINTECH

YES BANK launched a Fintech focused Business Accelerator program - YES FINTECH which received over 750 applications from 18 countries including 50 international companies. The 1st Cohort began with 11 fintech start-ups who will work with YES BANK towards co-creating Banking solutions.

YES SIMsePAY

SIMsePAY is enabling mobile payment services without requiring internet or smartphone to over 6 lakh customers in partnership with 35 cooperative banks.

YES TRANSACT

YES BANK has introduced the InvoiceXpress digital solution for corporate clients to automate order placement, invoice presentment, collections and reconciliation. The Bank launched ON-THE-GO, a new mobile banking solution for corporates to approve and process business payments on mobile devices, while away from office.

BLOCKCHAIN BASED FINANCING

YES BANK is the first Indian bank to offer vendor financing solution through multi-nodal and digitize client processes for discounting and disbursal of funds to its vendors. The Bank plans to extend blockchain solutions for Letters of Credit, Documentary Collections and Foreign Remittances.

HUMAN CAPITAL MANAGEMENT

At YES BANK, our Human Capital philosophy focuses on creating the right mindset to enable business performance by empowering and encouraging our executives to push their boundaries beyond their comfort zones, embrace challenges & drive growth, thereby deepening mind share and growing it into market share.

We engage and develop our Human Capital by creating a YES BANK culture, encouraging open & honest Communication, strengthening Connect among employees and community, supporting Career development and showing that we Care as an organization. All of these are underpinned by YES BANK's integrated Vision and Values framework. YES BANK has always emphasized on 'Knowledge' as a key differentiator, wherein we continuously enhance the capability and capacity of our Human Capital by creating an environment of continuous learning which equips them with knowledge and skills aligned to YES BANK's strategic objectives, business goals, job and regulatory requirements.

Our University & School Relationship Management (USRM) program is a structured, sustainable and scalable engagement process, which creates and maintains the maximum mind share for YES BANK among the students of Top B schools in India, thereby positioning us as a preferred Employer of Choice. Hiring of 100 management graduates from premier B-Schools in FY 2016-17 through Y-PEP (YES Professional Entrepreneurship Program), the flagship program for campus recruitment is testimony to the success of the USRM program.

In line with creating competitive advantage through HR Digitization characterized by big data, integration, mobility, social media, gamification, and cloud computing, we are in the process of completing the adoption of our new HRIT system. This will enhance our ability to manage employees in a more flexible, agile and customized manner, by integration of talent management into the fabric of everyday business and by becoming a vital component of YES BANK's performance to re-affirm our commitment towards 'Building the Finest Quality Bank of the World in India by latest 2025'.

Hiring of 100 management graduates from premier B-Schools in FY 2016-17 through the Y-PEP (YES Professional Entrepreneurship Program)

FINANCIAL INCLUSION

In line with its Responsible Banking vision of mainstreaming sustainability within its core business operations and cognizant of the needs of 'The Next Billion' customers, YES BANK has steadfastly focused on 'inclusive growth' of 'emerging India'.

20 LAKH
Households transformed through YES LEAP SHGs financing program.

4 MN+
Customers served through 44,000 Business Correspondent Agents of YES MONEY

Through a specialized Business Unit – Inclusive and Social Banking (ISB) – the Bank has adopted the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI). The objective is to systematically leverage Information and Communication Technologies (ICT) and frugal business models to offer focused financial solutions, catering to India's under-banked and unbanked population.

The Bank is also foraying into a cashless and paperless ecosystem. The Bank's innovative and sophisticated financial tools and advanced technologies are designed in partnership with credible technology partners and are used to offer solutions which also ensure better efficiency, security and viability.

Towards creating a multiplier effect, YES BANK seeks to collaborate with technology organizations. Such a strategy will unveil new avenues of extending even more expedient products to customers.

The Bank's flagship group lending program in rural and semi-urban India is YES LEAP. It has financed over 2 lakh self-help groups (SHGs) spread in 260 districts and 19 states, thus touching and transforming the lives of over 20 lakh families.

ROBUST RISK MANAGEMENT

At YES BANK, we realize that we are in the business of managing risks for our clients, investors and other stakeholders. We have leveraged our Alliances and Relationships with marquee industry partners and also pioneered implementation of latest Technologies to hone our A.R.T of Risk Management and our ability to comprehensively manage diverse risks.

The risk management culture at YES BANK is top-down and bottom-up. The Board is eventually responsible for risk management, which comprises risk governance and oversight structure, and for maintaining an appropriate internal control framework. The Bank's Board reviews and approves the threshold limits of risk to be taken in line with the Bank's strategic objectives and risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by the Risk Monitoring Committee, a sub-committee of the Board. Our risk culture also involves proactive risk identification, appraisal and appropriate time-bound initiatives to mitigate risk with the objective to balance risks with returns. The Bank has set robust risk filters and systems that enables it to detect early warning signals and embrace appropriate proactive actions.

The Bank continues to strengthen strategic partnerships with some of the best global IT majors with the objective to develop innovative features that enhance process efficiencies to mitigate operational risk and provide sector-specific banking solutions. The effectiveness of YES BANK's risk governance continues to be reflected in best-in-class credit metrics.

YES GLOBAL INSTITUTE

About YES Global Institute

YES Global Institute, the practicing think-tank, has been established as a division of YES BANK to focus on channelizing private sector capital towards India's development. The Institute synergizes all the knowledge verticals within YES BANK, including the following: Social Impact, Culture, Natural Capital, Glocal Forums, Sustainable Investment Banking, Micro, Small and Medium enterprises, Food & Agribusiness Strategic Advisory & Research, Inclusive & Social Banking, North-East Region Initiatives, Strategic Government Advisory, Smart City Advisory, Renewable Energy, Responsible Banking, Business Economics Banking and University & School Relationship Management.

At YES BANK, we believe that India's equitable economic growth can only be accelerated by a robust partnership between public sector governance and private sector innovation and entrepreneurship. In addition, through leveraging the strong backbone of the public sector, the private sector investment frameworks and the deployment of national innovative financing instruments, India will be able to achieve an equitable ecosystem. This Social Impact economy can further emerge through an inherent focus on India's untapped Natural Capital, its rich heritage, handmade crafts, Culture and its important Glocal position in the global economy.

YES Global Institute's approach on taking these themes forward is to be a leading ecosystem player, thereby connecting capital to growth and development projects. This is done through its research, analysis, convenings of Glocal leaders; and finally, through launching market-based solutions for engaging private sector capital in India's evolution. The Institute recognizes the solutions of new-age, innovative social entrepreneurs, and links them with impact investments to generate financial and social returns.

Glocalization of Ideas-in-action

NATURAL CAPITAL
Natural Heritage, Landscape Approaches, Wildlife Conservation, Ecotourism, Ecosystem Services and Urban Ecology

YES CULTURE
Heritage Tourism, Crafts Industries, Creative and Cultural Economies

SOCIAL IMPACT
Design Innovation Creativity led. Entrepreneurship, Social Impact, Impact Investing.

GLOCAL FORUMS
American, UK/Europe, Asia, YI Forums.

IMPORTANT PROJECTS

SOCIAL IMPACT

YES Global Institute's Social Impact team has leveraged the ART approach to catalyze the Impact Investing ecosystem in India by harnessing synergistic relations with global players like Global Impact Investing Network (GIIN), Sir Ronald Cohen, Prof. John Hoffmire (University of Oxford), Embassy of Israel and Tata Institute of Social Sciences (TISS). Our strategic mindshare initiatives to catalyze private capital for development have yielded in strategic market share with YES Global Institute being recognized as an integral player in developing cantors of innovative financing instruments.

YES CULTURE

YES Global Institute's YES Culture arm is working towards promoting and conserving India's heritage in association with India's premier heritage conservation organizations. We are collaborating with the Indian National Trust for Art and Cultural Heritage (INTACH) in Delhi/NCR, by conducting over 73 walks in historic neighborhoods of Delhi/NCR, impacting over 1500 citizens over the past year. Cycle tours have been added to this archetype of community based engagement. Owing to the rapid success of this multi-dimensional program, YES Culture has amplified the project by conducting walks in Udaipur, along with the Udaipur Municipal Corporation and the Maharana of Mewar Charitable Foundation. YES Culture endeavors to conduct similar engagements in other cities nationally through strategic partnerships to augment efforts towards conserving and promoting India's rich cultural heritage.

RESPONSIBLE BANKING

In an increasingly connected world, no business remains a silo, and the solutions to today's challenges and ambitions require a collective, 'glocalized' approach. Technology is emerging as the go-to answer for developmental and market-based solutions, and is intrinsically linking economies, societies and the environment into a common pathway of sustainable development.

The massive strides in Information and communication technologies offer the corporate sector an unprecedented opportunity to advance development towards achieving the world's socio-economic and environmental goals.

YES BANK institutionalized Responsible Banking as a key differentiator and one of its five strategic pillars since inception, as it believed that as a financial institution in India, there was an inherent need to play a central role in the economy to have significant social and environmental impacts.

YES BANK believes that collaborations yield results and, as a public trust institution, play to its strengths. To a large degree, YES BANK's success in driving positive impact could be accredited to the opportunities presented by its stakeholder engagements and partnerships. With a greater understanding of the needs and issues of its stakeholders, YES BANK has been able to establish the right alliances and amplify its sustainability impact both within and outside the organization, leading to the realization of first-to-many sustainability initiatives.

BUILDING ALLIANCES FOR GLOCAL IMPACT

Through its proactive approach and extensive engagements with its stakeholders, YES BANK has helped cement strong community relations and leveraged its partnerships with national and international institutions, multi-lateral organizations, academia and corporate peers to bring a positive change to the lives of vulnerable or marginalized communities, lend its voice to policy and regulatory action on pertinent issues, drive investments towards the sunrise sectors of the economy, and innovate to bring India's unbanked and under-banked population into the formal economy.

YES BANK was also the only Indian bank to be invited to speak at the G20 ESG Workshop in Berne, Switzerland and participated in the World Bank Group's Dialogue for Climate Action in Vienna, in May 2016.

In addition to making its voice heard at the highest platform such as the United Nations, YES BANK was also the only Indian bank to be invited to speak at the G20 ESG Workshop in Berne, Switzerland and participated in the World Bank Group's Dialogue for Climate Action in Vienna, in May 2016.

As a signatory to key global coalitions and alliances, YES BANK has emerged as a strong voice on key topics. It is a signatory to UN Environment Programme Finance Initiative (UNEP FI), UN Global Compact, CDP, Natural Capital Finance Alliance (earlier the Natural Capital Declaration), and member of national and global alliances including the India GHG Program, TERI Council for Business Sustainability, and the World Business Council for Sustainable Development.

DRIVING GLOCAL CLIMATE ACTION

YES BANK believes that climate change is an opportunity for the global economy to shift onto a pathway of low-carbon and inclusive growth. Through its Responsible Banking ethos, YES BANK has been addressing the low carbon transformation by adopting a 360 degree approach to mainstreaming climate action.

Driving Glocal Climate Action approach has focused on

- Integrating Environmental & Social parameters into its lending decisions
- Innovating for the Bottom of the Pyramid through leveraging technology
- Proactively investing in positive impact sectors
- Greening its own operations
- Climate literacy

On the occasion of the historic COP21 of the UNFCCC at Paris in October 2015, YES BANK had committed to mobilize USD 5 billion for climate action by 2020, towards climate mitigation, adaptation & resilience and contributing to achieving India's Nationally Determined Contributions.

At the COP22 of the UNFCCC in Marrakech, Morocco, one of YES BANK's flagship CSR projects, 'Say YES to Sustainable MSMEs in India' was highlighted as a Role Model case study by the World Resources Institute, and showcased at the Conference's India Pavilion.

YES BANK believes that putting a price on carbon would further accelerate the global shift towards production of cleaner sources of energy and adoption of energy efficiency. YES BANK is the first Indian banking sector signatory to the Carbon Pricing Leadership Coalition, a voluntary partnership of governments, businesses & civil society organizations towards advancing the carbon pricing agenda.

PARTNERING FOR POSITIVE COMMUNITY IMPACT

The magnitude of developmental challenges in India covering 1.3 billion people is significant, and would require breakthrough innovative thinking and developing large scale solutions that are sustainable and scalable. YES BANK believes that participatory approaches enable the power of coalition and drive accelerated social impact that can secure the most basic needs for the vast majority of the population.

Through its Responsible Banking ethos, YES BANK focuses on creating shared value for its stakeholder spectrum through social, economic and environmental interventions, guided by its four pronged approach framework to 'Promote, Invest, Engage, and Collaborate & Monitor'.

Through effective stakeholder engagement, the Bank ensures that its community development interventions stay relevant, scalable and sustainable, and are strongly aligned with the needs of the stakeholders. By building the right partnerships across corporate, government, and non-profit sectors, the Bank is implementing development projects in each and every corner of the country.

In 2016-17, through its flagship branch-led community engagement program, YES COMMUNITY, the Bank positively touched 2,019,900 lives through 6,156 events held in and around its 1,000 branches across India.

YES Foundation, YES BANK's social development arm, launched 'YES! i am the CHANGE' in 2012 as a movement to inspire, engage and empower youth to participate in India's social transformation. Today, YES! i am the CHANGE has emerged as the world's largest social film movement, with a participation of over 13 lakh individuals from 3.24 lakh teams, submitting over 29,000 short films on socially and environmentally relevant issues.

INDIA BOLE YES! CREATING A RESONATING BRAND

YES BANK, in early years of the Bank's journey, emphasized on the motto 'Experience our Expertise' with a strong focus on Knowledge Banking. With its foray into the retail sector, YES BANK, in its service driven approach, focused on 'YES FOR YOU'. The mantra of 'YES' to create a delightful banking experience was further inculcated in each and every YES BANKer and every customer touchpoint.

In 2015, as the fifth largest Indian Private Sector Bank, YES BANK launched 'INDIA bole YES!'. INDIA bole YES! is our endeavor to translate the ethos of the Bank while saluting the indomitable spirit of rising India. India is a nation of great potential, which has emerged as a global force to reckon with. The nation is willing to meet challenges head on with the confidence of coming out as winners. These are the same values that YES BANK has embodied since inception and continues to nurture.

Taking forward the Government of India's bold & revolutionary step of Demonetization in November 2016, YES BANK brand took another leap - INDIA bole YES! to a LESS-CASH Economy.

Taking forward the Government of India's bold and revolutionary step of Demonetization in November 2016, YES BANK brand took another leap - INDIA bole YES! to a LESS-CASH Economy. This expression amplified through print, TV, outdoors and social media, emphasized on the Nation's motto. INDIA bole YES! to a LESS-CASH Economy is the YES BANK'S commitment to being one of the early adapters or rather pioneers to 'Digital way of working'. YES BANK's forte has always been in proactively adapting to the 'Future Businesses & Opportunities'.

THE A.R.T. OF BRANDING

YES BANK has imbibed the spirit of A.R.T. in developing its Brand as a highly visible and relevant brand. YES BANK's high impact brand partnership as a Central Sponsor with the IPL has been a testimony to the approach. YES BANK has gained more visibility and mindshare through this partnership and positioned the brand as a young, vibrant and a contemporary brand and helped in making INDIA bole YES! a household slogan.

YES BANK has entered into similar Brand Partnerships with YES BANK - Economic Times Global Business Summit, YES BANK Express Adda, Brand partnership with Kidzania, amongst others.

LEADERSHIP IN SOCIAL MEDIA

Social Media Channels have become a crucial & integral part of our Digital Transformation Roadmap with global achievements and recognitions for the YES BANK brand.

A testimonial to our leadership is the fact that YES BANK is the Highest Followed Banking Brand in the World on Twitter & has conceptualized multiple award winning campaigns during FY 2016-17 like #INDIAboleYES brand campaign, Customer Service Campaign during Demonetization & engagement campaign during IPL Sponsorship.

Highest Followed Bank Brand in the World

2 MILLION

Followers

2nd Highest Page Likes for a Bank Brand in the World

5.8 MILLION

Fans

Highest Followed Bank Brand in India

300,000 +

Followers

As per The Financial Brand & Unmetric, YES BANK is ranked Second amongst Banking Brands in the world on Social Media as on the fiscal year ended March 31, 2017. YES BANK also continues to be the highest followed banking brand in India on Instagram & the second highest liked banking brand in the world on Facebook.

THE FINANCIAL BRAND

Featured amongst Top 5 Most Social Bank Brands* in the world

workplace

First Bank in India to launch Workplace by Facebook

ASIAN CUSTOMER ENGAGEMENT FORUM AWARDS AND GLOBAL YOUTH MARKETING FORUM

Best Use of Social Media in BFSI, Customer Engaged Brand & Campaign of the Year - #INDIAboleYES

YES BANK was one of the first companies in India to launch Workplace by Facebook, an innovative & collaborative platform for employee engagement.

YES BANK has also strengthened its position on social media with the launch of India's first AI-powered Wallet using a Facebook Chatbot to enable conversational payment transactions on YES PAY. YES BANK has also launched a Facebook Messenger BOT to empower employees with sales-aid during the on-field sales process.

YES SME Showcase LinkedIn page, sharing the global & domestic analysis and news in the SME industry, is the HIGHEST followed LinkedIn page for SMEs by any Bank in India.

YES BANK has also created a community of leading CFOs in India with a dedicated LinkedIn Showcase page - CFO Forum.

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NON-EXECUTIVE CHAIRPERSONS

Mr. Ashok Chawla
From October 30, 2016 – till date

Ms. Radha Singh
From October 30, 2014 – October 29, 2016

Mr. M.R. Srinivasan
From June 27, 2013 – June 26, 2014

Mr. S.L. Kapur
From January 2009 – April 2012

Late Mr. Ashok Kapur
From September 2004 – November 2008

BOARD OF DIRECTORS

Mr. Ashok Chawla
Non-Executive Independent
Part-time Chairman

Mr. Ajai Kumar
Non-Executive
Non-Independent Director

Mr. Brahm Dutt
Independent Director

Lt. General (Dr.) Mukesh Sabharwal (Retd.)
Independent Director

Mr. Saurabh Srivastava
Independent Director

Mr. Vasant V. Gujarathi
Independent Director

Mr. Rana Kapoor
Managing Director & CEO

MANAGEMENT TEAM

Abhay Sapru
Senior President

Ajay Desai
Senior President

Ajay Mehta
Senior President

Ajit Chandgude
Senior President

Akash Prasad
Senior President

Akshay Sapru
Senior President

Amit Dhawan
Senior President

Amit Kumar
Group President

Amit Sanan
Group President

Amit Shah
Senior President

Amit Sureka
Group President

Amresh Acharya
Group President

Anup Purohit
Senior President

Arun Agrawal
Group President

Aseem Gandhi
Senior President

Ashish Agarwal
Senior Group President

Asit Oberoi
Group President

Astitwa Pandey
Senior President

Bhadresh Pathak
Senior President

Deodutta Kurane
Group President

Devamalya Dey
Group President

Dhavan Shah
Senior President

Ganesh Narayanan
Senior President

Gaurav Goel
Senior President

MANAGEMENT TEAM (CONTD.)

Jyoti Javeri
Senior President

Jyoti Prasad Ratho
Senior President

K. Somasundaram
Senior President

Kanwar Vivek
Senior President

Kapil Juneja
Senior President

Karan Ahluwalia
Senior President

Kingshuk Jagat Chakraborty
Senior President

Kumar Padhmanabhan
Senior Group President

Lata Dave
Senior President

Mahavir Agrawal
Senior President

Mahesh Rajaraman
Senior President

Malcolm Athaide
Senior President

Manish Agarwal
Senior President

Manish Vora
Senior President

Munindra Verma
Senior President

Namita Vikas
Group President

Narendra Kumar Dixit
Senior President

Neelesh Sarda
Senior President

Neeraj Dhawan
Group President

Nikhil Sahni
Group President

Nipun Jain
Senior President

Niranjan Banodkar
Senior President

Nirav Dalal
Group President

Nitin Puri
Senior President

MANAGEMENT TEAM (CONTD.)

Nitin Sane
Senior President

P P Doraiswamy
Senior President

P Rakesh
Senior President

Parag Gorakshakar
Group President

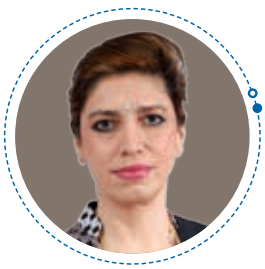
Pawan Kumar Agrawal
Senior President

Peacho Dhaul
Senior President

Phiroze Vandrewala
Senior President

Pralay Mondal
Senior Group President

Pran Jain
Senior President



Preeti Sinha
Senior President

Punit Malik
Group President

R. Ravichander
Group President

Rajan Pental
Group President

Rajanish Prabhu
Senior President

Rajat Mehta
Senior President

Rajat Monga
Senior Group President

Rajeev Mahajan
Senior President

Rajesh Jhunjhunwala
Senior President

Rajiv Anand
Senior President

Rajnish Datta
Senior President

Rakesh Arya
Senior President

Ramesh Sharma
Senior President

Ratan Kumar Kesh
Senior President

Rinki Dhingra
Senior President

MANAGEMENT TEAM (CONTD.)

Ritesh Pai
Senior President

Sachin Raut
Senior President

Sai Giridhar
Senior President

Sanjay Mandavkar
Senior President

Sanjay Nambiar
Group President

Sanjay Palve
Senior Group President

Sanjeev Pandey
Senior President

Sanjiv Misra
Senior President

Satya Mohapatra
Senior President

Shubhada Rao
Group President

Subramanian Ayyar
Senior President

Sumit Gupta
Group President

Sushil Budhia
Senior President

Swati Dakalia
Senior President

Taranbir Singh
Senior President

Tushar Pandey
Senior President

Vijay Kumar
Senior President

Vikash Modi
Senior President

Vinod Bahety
Group President

Vinod Lund
Senior President

Vivek Bansal
Senior President

Warren Stanley Patrick
Senior President

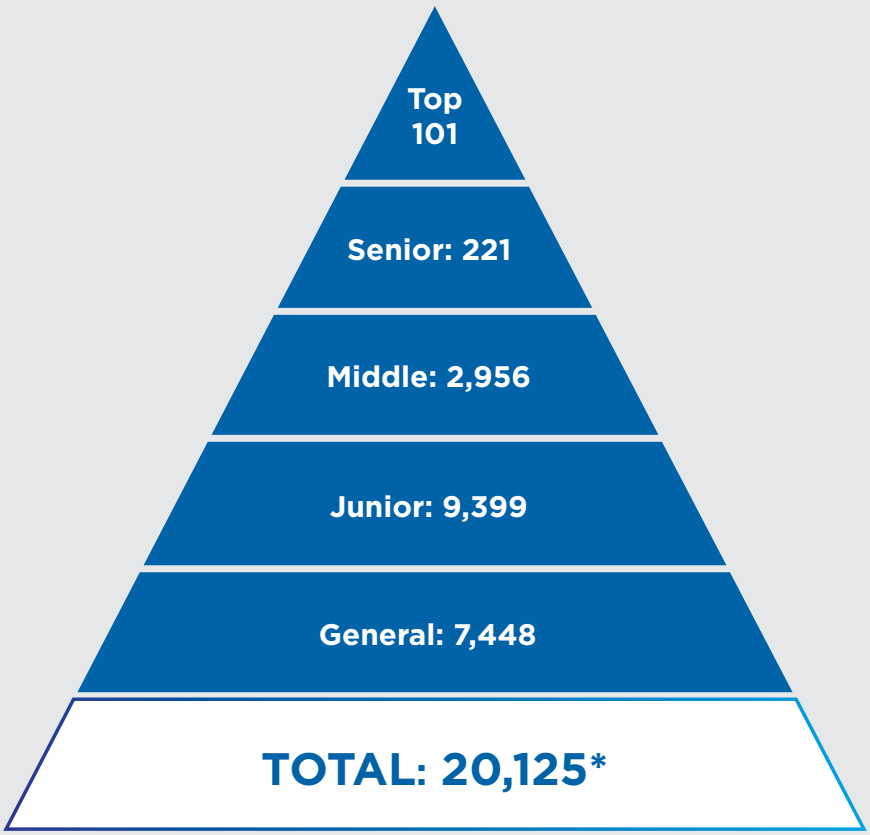
Yogesh Budhiraja
Senior President

Yogesh Kapoor
Senior President

MANAGEMENT TEAM (CONTD.)

Shivanand Shettigar
President and Company Secretary

ORGANIZATION MANAGEMENT STRUCTURE (5 LEVELS)



*As on March 31, 2017

April 5, 2017

Thanks all its **Investors & Stakeholders** for their **Valued Support**

on successful completion of India's Largest Private Sector

Qualified Institutions Placement (QIP)[1]

INR 4,906.65 Crore (USD 750 million)[2]

Issue subscribed by Qualified Institutional Investors across USA, Canada, Europe, Asia and India.

- Issue of **32.7 million shares** aggregating to **INR 4,906.65 Cr.** (USD 750 Mn)
- Increases Total Capital Adequacy to **20%**[3], & Tier-I Capital to **15.2%**[3]
- Increases eligible Capital Funds to over **USD 4.85 billion**
- Increases Shareholder funds to over **USD 3.23 billion**

[1] in INR terms [2] USD 1 = INR 65.422 as on Mar 23, 2017 [3] Post QIP Issuance considering position as at Dec 31, 2016 (including profits and annual dividends prorated for the 9 month period ending Dec 31, 2016)

Global Co-ordinators and Book Running Lead Managers

Merrill Lynch
A subsidiary of
Bank of America Corporation

Legal Advisors

Shardul Amarchand Mangaldas

ALLEN & OVERY

Luthra & Luthra
Law Offices

Auditors

B S R & Co. LLP
Chartered Accountants
(Current)

Registered Office: Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai - 400018. India.
Tel: +91 (22) 6669 9000. | Fax: +91 (22) 2490 0314 | Website: www.yesbank.in

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LEVERAGING A.R.T. FOR GLOCAL SUSTAINABLE IMPACT

YES BANK believes that as a financial institution, there is an inherent need to play a leading role in India's development. In line with its Responsible Banking ethos, YES BANK has been able to establish the right alliances and amplify its sustainability impact both within and outside the organization, leading to the realization of first-to-many sustainability initiatives.

In an increasingly connected world, no business remains a silo, and the solutions to today's challenges and ambitions require a collective, 'glocalized' approach. Technology is emerging as the go-to answer for developmental and market-based solutions, and is intrinsically linking economies, societies and the environment into a common pathway of sustainable development. The massive strides in technology offer the corporate sector an unprecedented opportunity to advance development towards achieving the world's socio-economic and environmental goals.

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Through its proactive approach and extensive engagements with its stakeholders, YES BANK, has helped cement strong community relations and leveraged its partnerships with national and international institutions, multilateral organizations, academia and corporate peers to bring a positive change to the lives of vulnerable or marginalized communities, lends its voice to policy and regulatory action on pertinent issues, drives investments towards the sunrise sectors of the economy, and innovates to bring India's unbanked and under-banked population into the formal economy. As a signatory to key global coalitions and alliances, YES BANK has emerged as a strong voice on key sustainability topics.

DRIVING GLOCAL CLIMATE ACTION

YES BANK believes that climate change is an opportunity for the global economy to shift onto a pathway of low-carbon and inclusive growth. Through its Responsible Banking ethos, YES BANK has been addressing the low carbon transformation by adopting a 360 degree approach to mainstreaming climate action.

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The magnitude of developmental challenges in India covering 1.3 billion people is significant, and would require breakthrough innovative thinking and developing large scale solutions that are sustainable and scalable. YES BANK believes that participatory approaches enable the power of coalition and drive accelerated social impact that can secure the most basic needs for the vast majority of the population.

Through its Responsible Banking ethos, YES BANK focuses on creating shared value for its stakeholder spectrum through social, economic and environmental interventions, guided by its four pronged approach framework to 'Promote, Invest, Engage, and Collaborate & Monitor'.

FINANCIAL CAPITAL

Financial Capital is the value of money that the Bank obtains from providers of capital, that is used to support business activities and profits generated thereof, distributes amongst its stakeholders as well as retains to fund business activities.

₹ 215,059.9 CR	₹ 4,559 CR	₹ 3,330.1 CR	OVER 20 LAKHS
BALANCE SHEET	REMITTED THROUGH YES MONEY	NET PROFIT	FAMILIES IMPACTED THROUGH YES LEAP

YES BANK has been creating value for its stakeholders in multiple ways. While some may manifest in financial value, others bring about more intangible benefits and value creation in terms of natural, human, social, or intellectual capital.

INCLUSIVE & SOCIAL BANKING

YES BANK firmly believes that greater participation of the unbanked and under-banked Indians in the economy would not only lead to inclusive growth but also achieve greater social justice. The Bank, since its inception, has been focusing on 'inclusive growth' of 'emerging India' through innovative products and services for rural and urban India and is forging key partnerships to amplify its impact.

The Bank, through Inclusive and Social Banking (ISB), its specialized Business Unit, has adopted the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI) to systematically leverage ICT and frugal business models to offer focused financial solutions catering to the under-banked and unbanked population in India.

ISB is working under the ambit of financial inclusion to reach out to the financially marginalized by leveraging the Bank's extensive branch network, technology edge and relationship capital in the Public, Private and Social sectors.

Using sophisticated financial tools and advanced technologies, the Unit offers solutions that include direct micro-credit, micro saving and micro insurance and remittance services across various geographical and socio-economic contexts in India.

Through YES LEAP, the Bank's flagship lending program and YES JLG program, it has financed over 230,000 SHGs spread in 260 districts, thus directly reaching over 20 lakhs families. YES SAHAJ, the Bank's award winning technology solution platform based on the RBI's Business Correspondent (BC) model offers safe and secure, doorstep banking services using low cost technology. Through these programs, YES BANK has cumulatively financed over ₹ 5,200 crores.

Towards creating a multiplier effect through larger collaborations, YES BANK appoints business correspondents (BC) such as NBFCs, allowing the Bank to scale up its product and service offerings for the Bottom of the Pyramid (BOP). ISB currently works with 31 Business Correspondent partners, present in 17 states in India.

YES LEAP

Innovating on the RBI's BC model, YES LEAP (Livelihood Enhancement Action Program) is the Bank's innovative version of the Self Help Group (SHG) Banking Linkage program. YES BANK has been partnering with credible NGOs/private institutions and appoints them as BCs and provides banking services through them, allowing the Bank to scale up its product and service offerings for the Bottom of the Pyramid (BOP).

YES LEAP is currently partnering with 31 BC partners, including Self Help Promoting Institutions and NBFCs, to provide comprehensive financial services to SHGs in 260 districts in India, and reaching out to over 20 lakhs predominantly rural households.

FINANCIAL CAPITAL (CONTD.)

Towards enhancing the impact and delivery mechanisms of LEAP, the Bank is exploring to introduce tablet-based solutions which would be able to digitally track payments and receipts, take videos of SHG meetings and group recordings, play health and hygiene messages and track movement of BC agents.

As the majority of the SHGs linked to YES LEAP program are women-centric, YES LEAP has been able to contribute towards strengthening women entrepreneurship and financial empowerment in rural India.

YES JOINT LIABILITY GROUP

The YES Joint Liability Group (JLG) is an initiative to provide banking services to the BOP in rural, semi-urban and urban India, based on the Joint Liability Group methodology wherein, term loans are provided to individual members of a JLG focusing on income generation.

Through YES JLG, the Bank provides direct financing, through its partners, which include NBFCs and MFIs, with a wide network in India to be able to reach the most needy and financially excluded segments.

The program, launched in March 2015, reached 153,717 Joint Liability Group members via a network of 16 Business Correspondents as on March 31, 2017.

YES KISAN DAIRY PLUS

YES BANK's YES Kisan Dairy Plus, a comprehensive suite of financial products in the organized dairy sector, continues to benefit both small milk producers as well as the large dairy buyer. As the bank accounts of both the buyer and the seller are linked to the Bank's banking network, small milk producers can get paid immediately for their sale, which may take many days without such a system. With an account at YES BANK, the small dairy seller can continue to earn interest, or use its bouquet of financial services to utilize their income.

YES SAHAJ

YES BANK had launched YES SAHAJ in 2011 with the vision of taking basic banking to the farthest corners of the country and financially integrating the millions of Indians at the BOP, and developing innovative solutions that can overcome the limitations of traditional, brick-and-mortar banking.

YES SAHAJ is an innovative, low-cost, micro-ATM leveraging technological innovations within existing principles of mobile banking, India's strong mobile penetration and the RBI's BC Model, to offer basic banking to India's rural hinterland. It is a cost-efficient alternative to Hand-held Devices which allows real time, on-field reporting of repayment collection and savings amount of SHG and JLG members, enabling centralized monitoring. It also acts as a key platform for remittance operations of two key YES BANK products - YES LEAP and YES MONEY.

MICROFINANCE INSTITUTIONS GROUP

YES BANK promotes microfinance as a new asset class, widening access to capital through a two-pronged strategy involving the Microfinance Institutions Group (MFIG), and mainstreaming Bottom of the Pyramid clients through ISB. MFIG's product suite includes Term Loan Facilities, loan syndications and, rated capital market loan products like pool securitization, bonds, commercial paper and pass through certificates.

AGRIBUSINESS PRODUCT MANAGEMENT

The Agribusiness Product Management (ABPM) unit at the Bank has experienced banking and industry professionals with in-depth knowledge of the Priority Sector to deliver efficient and customized banking solutions to the core agri sectors.

DIGITAL BANKING

Innovation and Technology are key brand pillars at YES BANK, which continues to maintain its focus on leveraging state-of-the-art technology and introducing innovative practices towards its vision of building the 'Finest Quality Bank of the World in India." The Bank has adopted a holistic approach

towards going digital and has integrated that strategy across the entire Traditional and Digital banking ecosystem.

As the new-age digital customers migrate away from the traditional banking channels and adopt digital banking, YES BANK's digital focus would be on ensuring ease of transaction, and winning and retaining customers by creating value for them that enhances the convenience and quality of their everyday lives beyond mere transactions. YES BANK has significantly expanded its bouquet of digital products that cater to varied segments of population and use cases, riding the waves of technological advancements to provide a seamless customer experience.

The Reserve Bank of India (RBI) has released its Vision 2018 document, aimed at encouraging greater use of electronic payments by all sections of society by bringing down paper-based transactions, increasing the usage of digital channels, and boosting the use of mobile banking. The Government of India's demonetization move and promotion of digital banking services have also encouraged and supported the use and acceptance of the Digital technologies to carry out day to day transactions.

The Bank has been working on disruptive technologies and frugal innovations to ensure inclusion of feature phone users and change the way customers make payments. YES BANK has created a unique, sustainable and growing business model with SIMsePAY, a breakthrough, yet simple, innovation that was conceptualized and developed under the Bank's Vision to provide simple, easy to use, convenient and 24X7 banking services on the go.

The size and volume of digital banking transactions done through YES BANK's products and services continue to scale up rapidly in FY 2016-17, aided by Government policy initiatives and interventions. The number of Mobile Banking transactions rose from approximately 6.9 lakhs in 2015-16 to over 1.05 crores transactions in 2016-17, a significant jump of over 1400%, with over 2.58 lakhs active Mobile Banking users in the reporting period. Similarly, the number of transactions on the Bank's Retail Net Banking channel rose to almost 1.25 crores from 48 lakhs in the previous year, a growth of over 150%. Similarly, the number of active net banking users in the reporting period almost doubled to 3.04 lakhs.

YES MONEY

Since its launch in 2011, YES MONEY, the Bank's award-winning, innovative domestic remittance platform has cumulatively remitted close to USD 2.5 billion in domestic remittances.

YES MONEY operates on the custom-built multi-platform Remittance Knowledge Bridge which synergizes India's vast spread of hyper-local family owned stores into being full-fledged, secure BC partners of the Bank towards meeting the remittance needs of millions of unbanked and under-banked population in India.

YES MONEY	FY 2016-17	FY 2015-16
Number of Business Correspondents[1]	38	27
Number of transactions done (lakhs)[2]	124.72	95.67
Total value of transactions (₹ in crores)[2]	4,558.59	4,080.52
Number of Unique senders (lakhs)[2]	17.18	14.98

[1] Cumulative as on March 31, 2017
[2] For FY 2016 - 17

SOCIAL & RELATIONSHIP CAPITAL

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

2,019,900	5,437	36,514,527	10,425
LIVES TOUCHED THROUGH YES COMMUNITY	PEOPLE PROVIDED SKILLS	LIVES PROVIDED ACCESS TO SAFE & CLEAN DRINKING WATER	MSME WORKERS TRAINED

POSITIVE SOCIAL IMPACT INITIATIVES – YES COMMUNITY

YES COMMUNITY
TOGETHER FOR A BETTER TOMORROW

YES COMMUNITY, YES BANK's innovative branch-led community engagement and impact model, continues its focus on pertinent social and environmental issues of local and global significance. During the reporting period, the Bank enhanced its partnerships with non-profit organizations, local and state governments, and its corporate peers to deliver and scale up impact on the ground.

In FY 2016-17, YES COMMUNITY witnessed strong growth, and impacted 20,19,900 lives through 6,156 activities, thus convincingly surpassing its target of touching 8 lakhs lives in the year. Key programs initiated under YES COMMUNITY included:

GREENING INDIA'S NATIONAL HIGHWAYS

One of India's commitments under its Nationally Determined Contributions (NDC) is to create additional carbon sink of 2.5 to 3 billion tons of CO_2 Equivalent through additional forest and tree cover by 2030. Towards this commitment, enhancing the tree cover around India's rapidly expanding national highways has an immense potential to expand the country's green cover and generating employment opportunities for the rural community.

YES COMMUNITY GROWTH (No.)

The Ministry of Road Transport and Highways (MoRTH) of the Government of India promulgated the Green Highways (Plantations, Transplantations, Beautification and Maintenance) Policy – 2015, to develop green corridors along National Highways, envisioning the development of eco-friendly national highways with participation from communities, farmers, NGOs, the private sector, financial institutions, government agencies and the Forest Departments.

The National Green Highways Mission (NGHM) under National Highways Authority of India (NHAI), has been entrusted with the task of implementing roadside plantations, which is expected to generate one lakh direct employment opportunities in the plantations sector in next ten years.

In 2016, YES BANK became the first private institution to undertake a CSR commitment to 'Adopt a Green Highway', under the NGHM initiative. The Bank would develop green corridors along the Mumbai-Nashik-Pimpalgaon Highway.

Nitin Gadkari (Union Minister for Road Transport and Highways, Government of India) and Namita Vikas (Group President & Global Head - Climate Strategy & Responsible Banking, YES BANK) holding the charter with NGHM at the 'Green Highways Project - Way Ahead' workshop

Towards raising awareness on the topics and exploring synergies for collaboration between YES BANK and NGHM, a joint Charter was launched by Nitin Gadkari, Union Minister for Road Transport and Highways, Government of India at the NGHM organized workshop on the theme "Green Highways Projects: Way Ahead" on July 01, 2016 at New Delhi. YES BANK and NGHM signed a formal MoU on November 07, 2016 in New Delhi.

To raise awareness on the importance of greening highways and its role in maintaining ecological sustainability, YES BANK and NGHM conducted nationwide painting and slogan writing competitions under the initiative of 'Green Highways for Sustainable Environment' to spread the message amongst young students in schools and colleges. These competitions were conducted in 402 locations, touching 70,350 students with the winning paintings and slogans from students produced into a widely distributed coffee table book.

WASTE MANAGEMENT

The Prime Minister launched the 'Swachh Bharat Abhiyan' with a clarion call to all citizens by proclaiming – "A clean India would be the best tribute India could pay to Mahatma Gandhi on his 150 birth anniversary in 2019". Waste management being a critical element of public health and safety, the national cleanliness campaign identified Solid and Liquid Waste Management (SLWM) as one of its key focus areas.

In line with the government's campaign, YES COMMUNITY launched the "Swacchagraha" program on Waste Management to promote eco-friendly practices within the community.

Through this initiative, branches conducted workshops on Waste Segregation and 'Make your own paper bag' drives by partnering with Local Municipal Authorities, RWAs, youth clubs, colleges, schools, Traders Associations and NGOs.

To encourage a habit of recycling amongst students and the youth, branches conducted workshops in schools, on making paper gift bags from waste paper. A total of 371 schools participated in this activity.

Waste Paper workshop at Bareilly branch

SOCIAL & RELATIONSHIP CAPITAL (CONTD.)

TREE PLANTATION DRIVE

Forests are the lungs of the earth. Deforestation has had a major impact on global warming and habitat loss, the effects of which are increasingly being experienced in our day-to-day lives. One of India's key Nationally Determined Contributions (NDC) is to create an additional carbon sink of 2.5 to 3 billion tons of CO_2 Equivalent through additional forest and tree cover by 2030.

Nagpur Branch conducting the tree plantation drive with the Indian Army

At the COP21 in 2015, YES BANK undertook a climate commitment to increase India's green cover by contributing to a carbon sink and planting 2 million saplings by the year 2020. YES BANK branches addressed this challenge with a massive campaign that witnessed the full participation of local community members. 525 YES BANK branches collaborated with citizens across the board to plant 105,000 saplings in public spaces and neighbourhoods.

NATIONAL ROAD SAFETY WEEK

National Road Safety Week is observed in India from January 09 to 15 every year to raise awareness on safe driving practices. As a socially conscious corporate citizen, YES BANK looks at 'safety' as an important aspect of community development and road safety entails accelerated tourism and economic growth. In 2016-17, YES BANK branches conducted YES COMMUNITY activities under the theme "Your Safety, Secures your family- Be cautious on Road" to highlight and emphasize the need for safe and accident free roads.

The objective was to increase awareness on importance of safe roads through collaborative efforts of relevant stakeholders.

Branches partnered with local two-wheeler dealers, along with a national partnership with Hero Moto Corp, to conduct the awareness campaigns at two-wheeler showrooms.

FINANCIAL LITERACY

The Government of India's move on demonetization and its promotion of various digital financial transaction methods have prompted millions of Indians to adopt digital banking platforms in an unprecedented way. Towards supporting the government's vision, YES BANK, is converting its branches into Digital Banking Literacy Centers and conducting sensitization sessions for its customers and the community at large on harnessing the power of digital banking.

The broad objective of the initiative was to spread awareness on financial transactions through all available digital banking platforms, essentials for a secure digital banking transaction and to mobilize volunteers to bring an enormous change by participating in the "Each one Enrich one" campaign and to support Government of India's GO CASHLESS approach.

The branches also conducted financial literacy camps with sessions on 'fake note detection' for relevant stakeholders. An elementary quiz on financial literacy was also conducted and winners were given certificates of appreciation.

SCALING UP YES COMMUNITY IMPACT

LIVELIHOOD & WATER SECURITY

According to the WHO/UNICEF Joint Monitoring Program for Water Supply and Sanitation, at least 1.8 billion people worldwide are estimated to drink water that is faecally contaminated. Water is vital for survival of all known life forms. We require clean drinking water for our survival, but only less than 0.3% of all freshwater is available for use. This rarity of clean water not only makes it precious but also makes it imperative for Public and Private sectors to make it available to the community at large.

In concurrence with SDG 6, YES BANK believes that access to safe and clean drinking water is critical and has identified 'access to safe and clean drinking water' as a key challenge. The Bank launched its Livelihood and Water Security initiative under the YES COMMUNITY umbrella in 2014, and under the initiative, aims at providing affordable solutions that provide safe and clean drinking water in urban, rural and semi-rural communities.

On the occasion of COP21 in October 2015, YES BANK took a key commitment to touch 100 million (10 crores) lives through its safe and clean drinking water program by 2020. Since its launch in 2011, YES BANK has already provided access to safe & clean drinking water to more than 5 crore lives through this Security initiative, touching over 3.66 crore lives in 2016-17 alone.

The Bank continues to use the innovative, membrane-based water purification technology developed by its social start-up partner. The technology requires no electricity or chemical-dosing for the purification process, and the innovative filters use an internationally patented gravity based technology to purify water from any freshwater source, are quick and easy to assemble, and need minimum maintenance, making it ideal for the Indian context.

YES BANK has joined hands with the Indian Railways in 2015 to provide access to safe and clean drinking water at 1,000 railway stations across India by 2019. In the first phase (FY 2015-16) of the project, the Bank had set up 100 community water filter systems across 'D' and 'E' category railway stations in the Konkan belt and other locations in Maharashtra.

Community Water Systems installed at Hamalpanchayat School, Pune

In the second phase of implementation in FY 2016-17, YES BANK expanded its reach and provided access to safe and clean drinking water at additional 192 railway stations in Solapur, Bhusawal, Nagpur and Pune divisions through installation of purification systems.

Expanding upon its current partnerships, YES BANK has partnered with an organization to install Water ATMs, a unique concept adopted by the Bank, to dispense safe and clean drinking water by installing Community Water centers and Water ATMs in urban slums of Delhi. This initiative would serve 6 communities with a combined population of over 1 lakh people. Filtered water would be available at nominal prices at these ATMs to instil a sense of ownership in the consumers. Additionally, through this unique initiative livelihood would be provided to the ATM operators.

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In addition to focusing on the availability of clean water, the initiatives also focus on sensitization of communities in health, supplementary education, sanitation and overall social welfare.

SKILL DEVELOPMENT THROUGH YES STEADY

YES STEADY (Skills Training and Enhancement for Development of Youth) was launched by YES BANK in 2014, to provide employability training to youth through targeted skill building initiatives. For the initiative, the Bank partnered with Deshpande Foundation to provide employability training to youth in Karnataka and Telangana states in the first phase, inducting 1,200 students.

In the reporting period, 1,382 students were inducted and have undergone skill training under various focus sectors such as agriculture, accountancy, electrical works, BPO & soft skills and primary teachers training. The students are provided with employment linkages through a formal placement cell and are connected with an alumni network of Deshpande Foundation's existing programs.

In addition, YES BANK supports four NGO partners in running Community Knowledge Centers in Maharashtra, Tamil Nadu and Kerala, with 4,055 students completing their training in 2016-17.

SAY YES TO SUSTAINABLE MSMES IN INDIA

The MSME sector in India has shown admirable innovativeness and resilience towards economic shocks. Responsible for generating around 100 million jobs throughout the country's geographical expanse, this sector is known for employment generation caliber, low capital and technological requirement, promotion of inherent skills, use of local resources and exportability of products.

In 2014-15, YES BANK launched the first-of-its-kind MSME CSR project 'Say YES to Sustainable MSMEs in India', to promote environmental sustainability and Occupational Health and Safety (OHS) within the Indian MSME sector in partnership with Foundation for MSME Clusters (FMC) and Entrepreneurship Development Institute of India (EDII).

In 2016-17, the initiative impacted 2,229 MSMEs on Energy Efficiency and OHS through sensitization workshops, safety trainings, first-aid trainings, and health camps, benefitting 10,425 workers across 11 states, 18 locations and 13 sectors including Foundry, Dyeing, Rubber, Plastic, General Engineering, Textile, Rice Mills, Auto ancillaries, Industrial tools and pumps, Sports goods, Handicrafts and Railway vendors. Since its inception, the project has already impacted over 3,000 MSMEs, benefitted more than 22,000 workers and helped reduce an estimated 6,000 metric tons of CO_2 emissions.

Continuing its focus on providing path-breaking solutions, the bank on-boarded Small Industries Development Bank of India (SIDBI) to extend an all-inclusive solution for increasing the energy efficiency of this sector, becoming a one-stop solution provider to the OHS and Energy Efficiency (EE) requirements of the MSMEs.

As a best practice, YES BANK has attempted to calculate the project's evaluative Social Return On Investment (SROI) for the financial year 2015–16. SROI is a principle-based method for measuring the extra-financial value of an initiative relative to the inputs invested.

To calculate the SROI, the Bank conducted a thorough analysis of inputs from the stakeholders for the initiative, the outputs achieved and the corresponding outcomes. The inputs were based on data collected from beneficiary MSME units and implementation partners through questionnaires.

The Net SROI achieved was 6.98, or in other words, the social impact generated by the project is almost 7 times the value of the inputs invested by the stakeholders.

In the process of measuring the SROI, the following key findings emerged:

Energy Efficiency and Occupational Health & Safety workshop being organized in Hyderabad, Telangana with Micro Units Balanagar Association

- ₹ 2.8 crores was saved by the MSMEs through YES BANK's energy efficiency interventions*
- ₹ 16.9 crores was saved by the MSMEs through YES BANK's OHS interventions*
- 5,181 hazardous incidents and health issues were avoided*
- 4.03 working days were saved for each employee, annually by increasing the operational efficiency and productivity*
- 98.6% of the benefitted MSME units were satisfied with this intervention^

* Extrapolated figures from stakeholder response

^ Based on stakeholder response

EMPLOYEE PAYROLL GIVING

YES BANK continues to partner with GiveIndia for the payroll giving initiative for its employees. Employees registered under the programme contribute a certain portion of their salaries every month, as selected by the employees themselves, which can be donated to a cause of their choice. To ensure that 100% of the employee contribution is donated, the Bank pays for all the administrative charges to participate in the platform. During the reporting period, a total of ₹1,613,400 was received as donations from employees.

YES FOUNDATION – BUILDING AN EMPOWERED AND EQUITABLE INDIA

India's development challenges require innovative and inclusive solutions with a multiplier effect, addressing scale and impact. Backed by YES BANK's over decade of positive impact, YES FOUNDATION, a public charitable trust governed by an independent Governing Council, follows a differentiated approach innovatively harnessing media to channel high octane youth energy and stimulate entrepreneurship for an empowered and equitable India.

YES FOUNDATION addresses the gaps in the development sector by strengthening Design and Innovation-led Creative Entrepreneurship (DICE) solutions by youth and Non-Profits, redefining the contours of social development. The Foundation's programs address the biggest challenge facing India – the MINDSET, especially of the youth. These "mindset transformation programs" successfully harness the latent capabilities of millions of youth into positive action for India's inclusive development resonating responsible citizenship across the country.

YES! I AM THE CHANGE

YES FOUNDATION, in 2013, launched its flagship program, YES! i am the CHANGE (YIAC), a nationwide mindset transformation program, to inculcate the spirit of responsible youth citizenship through the impactful medium of films. It features a 101-Hour Social Filmmaking Challenge where participants make 3-min short films on social causes.

The topics are socially relevant such as child rights and education, environment, women empowerment, and livelihood and employment and aligned with the UN Sustainable Development Goals. This enables the

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YIAC films to form an open repository of invaluable communication resources with an Indian context for the use of NGOs and yet maintain an international social alignment. The immersive process of participation leads to experiential learning and in the process, advocates and volunteers are created for causes and NGOs.

In 2015, YIAC had emerged as the World's Largest Social Filmmaking Movement with 500,000 youth participants from 2,500 cities and towns pan India.

YIAC highlights for the fourth edition in 2016-17 include:

- In 2016, YIAC received an unprecedented response of over 1.3 million participants and over 29,500 films (~1000% increase over previous year)
- Over 34,000 films on Sustainable Development Goals (SDGs) accumulated over four years in a variety of national and regional languages that are available for free use to NGOs to further their causes. These films are also showcased by YES FOUNDATION on various platforms to sensitize youth and promote responsible youth citizenship
- Students across 5,000 schools and colleges in India engaged through various on-ground activities, digital engagement, workshops, social film festivals and screenings to bring awareness about pertinent social causes. Youth are also sensitized on responsible consumption of media
- Training provided to 800 NGO professionals on zero budget filmmaking and using the films for advocacy, resource mobilization and volunteer mobilization
- YES! i am the CHANGE (YIAC) 2014 and 2015 entered the Limca Book of Records as the Largest Social Filmmaking Challenge in India
- YIAC was the overall winner of the 2016-17 Peer Awards for Excellence, UK. It was also the winner of each of the Judging Criteria – Impact, Innovation and Inspiration
- YIAC won Gold in the 6th Asia Pacific Customer Engagement Forum & Awards (ACEF) for Successful Use of CSR Activity in the Online Media category

In February 2017, stalwarts of India's film, government, corporate and development sectors celebrated the best social films by 1.3 million youth across 2,500 cities and towns pan-India at YES FOUNDATION's YES! i am the CHANGE Awards ceremony. Chief Guests, G.M. Rao, Founder Chairman, GMR Group, Shaina NC, National Spokesperson, Bharatiya Janata Party and Piyush Pandey, Executive Chairman and Creative Director, Ogilvy & Mather India felicitated the top films.

The top YES! i am the CHANGE films were selected by a 19-member eminent jury, including celebrated actor Shabana Azmi, Ashu Suyash, MD & CEO, CRISIL, Magsaysay award winner Anshu Gupta, Zahabiya Khorakiwala, Managing Director, Wockhardt Hospitals, Rebecca Tavares, UN Women's Representative for India, Bhutan, Maldives and Sri Lanka, amongst others.

The awards ceremony was followed by a two-day YES! i am the CHANGE Social Film Festival showcasing the top YIAC films. The Festival was inaugurated by the doyen of Indian innovation Dr. R. A. Mashelkar and included interactive sessions with eminent individuals such as celebrated Film Director Shyam Benegal, Magsaysay Award Winner Anshu Gupta among others.

YES FOUNDATION CHANGEMAKER INITIATIVE

YES FOUNDATION Changemaker Initiative was launched in 2015 to honour and support the projects of past participants of YIAC who have gone beyond filmmaking, are focused on developing innovative solutions and consistently contributing towards social causes.

The first initiative mentored by YES FOUNDATION was

'Missing', a unique international awareness campaign on human trafficking by Leena Kejriwal, public artist & YES! i am the Changemaker Awardee 2015.

This year, the Changemaker Award was conferred on Ravi Iyer, Amar Ramesh and Meghatithi Kabeer.

The Foundation also launched the Everyday Hero Award to recognize individuals doing exceptional community service. Roxanne Davur, Joseph Sekar and Sanjay Kumar were the award recipients.

YES FOUNDATION MEDIA FOR SOCIAL CHANGE FELLOWSHIP

To further enable and deepen youth social engagement, YES FOUNDATION launched the YES FOUNDATION Media for Social Change Fellowship in 2016, a high impact program to develop socially conscious youth leadership in association with ISDI-WPP School of Communication and supported by International Advertising Association, India Chapter and YES BANK.

The objective of the Fellowship is to develop socially conscious youth leadership through exposure to social issues and credible NGOs, along with strengthen the communication efforts of NGOs and maximize their social impact.

The 2-month Fellowship provides high potential youth (18-25 years) an opportunity for intensive and sustained engagement with social issues through regular capacity building trainings and structured placement with credible NGOs. The Fellows are trained by industry leaders in a 1-week intensive, Induction training on marketing, communications, digital and social media. This is followed by a 7-week, full-time placement in NGOs where Fellows lead well-defined communication projects such as developing films, websites, social media campaigns, case studies etc. for NGOs with guidance from industry leaders.

Participation in the Fellowship hones the leadership skills of the youth and is a stepping stone towards their professional careers. Most importantly,

Onir (Filmmaker), Pooja Bhatt (Actor), Prerana Langa (CEO, YES FOUNDATION), Namita Vikas (Member, Governing Council, YES FOUNDATION), Dr. Ashvini Madhukar Joshi, IAS (Collector, Mumbai), Leena Kejriwal (Awardee 2015) at the launch of the initiative

YES FOUNDATION Media for Social Change Fellows 2016 with NGO mentors

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exposure to social issues sensitizes the youth and enables them to emerge as social leaders.

In 2016, the inaugural edition, 45 youth were selected to be a part of the Fellowship cohort from 922 aspirants across 166 cities and towns pan-India. They were placed with 19 credible NGOs, across Mumbai.

YES FOUNDATION SOCIAL FILM GRANT

YES FOUNDATION actively supports emerging filmmakers and works towards sensitizing professional filmmakers on social filmmaking to tackle the dearth of strong communication resources for NGOs, especially on the Sustainable Development Goals (SDGs). Towards this, YES FOUNDATION Social Film Grant was launched in association with UNDP India in 2016. It is a competitive film production fund for exceptionally talented emerging filmmakers to make 1-minute Public Service Films on SDGs.

4 high quality films produced as a part of the program are used on digital platforms by UN affiliates and YES FOUNDATION to popularize SDGs amongst youth and policymakers.

Street Dreams, a Public Service Announcement film on Zero Hunger (Sustainable Development Goal) produced under the Social Film Grant garnered 4.7 million views on Twitter and 1.2 million views on Facebook.

YES ENABLER

YES Enabler is a high impact program promoting Communications and DICE (Design and Innovation-led Creative Entrepreneurship) to accelerate social impact of NGOs and social enterprises. The program envisages a strategic national platform to bring together major actors in the development ecosystem (corporates/corporate foundations, NGOs and government agencies) and proactively facilitate knowledge-sharing and effective partnerships for channelization of CSR funding in India.

Hemant Gupta (MD & CEO, BSE Sammaan CSR Ltd.), Namita Vikas (Member, Governing Council, YES FOUNDATION) and Prerana Langa (CEO, YES FOUNDATION) signing a joint Charter to bring innovation & excellence in the development sector, at Mumbai on January 17, 2017

YES FOUNDATION and BSE Sammaan signed a joint charter which aims to bring innovation and excellence to the development sector, amplify social impact of NGOs and catalyze India's social transformation.

YES GLOBAL INSTITUTE

YES Global Institute, the practicing think-tank, has been established as a division of YES BANK to focus on channelizing private sector capital towards India's development.

The Institute's interventions with predominant impact in Natural Capital and Intellectual Capital have been included in the respective sections of the Disclosures.

SOCIAL IMPACT

Social Impact vertical at the Institute is looking to bring about social transformation by catalyzing private capital for development by harnessing the true spirit of entrepreneurship. The Institute believes that the next wave of growth and more

importantly equitable growth would come from the emergence of economy based on the principles of DICE (Design Innovation Creativity and Entrepreneurship). This would create an enabling ecosystem to catapult social economic growth leading to the betterment of the Bottom of the Pyramid by jump-starting innovative thinking among the youth and community members. Towards this endeavor, The Institute looks to collaborate and partner with various stakeholders including policy makers, impact investors, government, industry and academia to facilitate the enablement of a conducive ecosystem.

The Institute is also involved in enabling the Impact Investing ecosystem in India by capturing the MINDSHARE in this sector and bringing the best global practices to augment the development of the Impact landscape.

YES CULTURE

YES CULTURE
INDIA'S PAST HAS A GREAT FUTURE!

The Institute, through its YES Culture initiative is dedicated towards the promotion, development and conservation of India's cultural heritage. YES Culture is positioned to drive financing and inclusive socio-economic development through the promotion of creativity and innovative Indian arts. The Institute engage with the government, industry and academia to foster synergies between stakeholders.

YES Culture works towards identifying standout initiatives that can be engaged with as key participants and partners. It also focuses on public engagement with heritage sites to promote the need for conservation. An important aspect of its work is advocating research on cultural issues and organizing platforms to augment awareness of India's rich cultural heritage.

GLOCAL FORUMS

YES Global Institute strongly believes that India's social indices have to improve immensely if the dream of inclusive and sustainable growth is to be realized. The Institute envisages a new equilibrium of demand and supply side interventions to put India on a road to high social sector growth. The Glocal Forums at the Institute works towards bringing in key insights from the socio economic context of developed countries and localize appropriate solutions for the Indian context. It undertakes extensive outreach, thought leadership and research across the innovation, technology and social space to build suitable networks and generate the required momentum for change in policy and mindset. The focus regions for global outreach are the USA, Europe, the UK, Asia and Rest of the World.

RESEARCH AND POLICY ADVOCACY

- Ongoing project on 'Developing a Credit Market for Higher Education' aimed at attractive replaceable capital to self financed differentiated education models

- Research report on 'Re-imagining Higher Education in India' aimed at structural challenges in the Indian higher education system including internationalization.

INTELLECTUAL CAPITAL

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

FIRST
INDIAN BANKING SIGNATORY TO NCFA AND CPLC

OVER 2 MILLION
FOLLOWERS ON TWITTER

OVER 5.8 MILLION
FACEBOOK FANS

THOUGHT LEADERSHIP

YES BANK, since its inception has been following a knowledge-based approach which provides its stakeholders with well-informed and customized solutions.

The Bank has identified specific growth sectors of the Indian economy and institutionalized specialized Knowledge Banking divisions within the Bank to spearhead its knowledge focus and develop tailor-made product offerings for industry verticals. The Knowledge Sectors are:

- Food and Agri Business
- Media and Entertainment, Fine Arts, Luxury & Sports Banking Group
- Life sciences and Healthcare
- Information Technology
- E-commerce
- Infrastructure
- Travel and Tourism
- Renewable Energy
- Strategic Government Advisory
- Smart Cities

GLOBAL ENGAGEMENT ON SUSTAINABLE DEVELOPMENT

During the year, the Bank significantly expanded its global engagement on key sustainability topics and was recognized as a Thought Leader on key national and international platforms.

YES BANK remains a signatory to key protocols focused on climate action and sustainable development, including the UN Environment Programme Finance Initiative (UNEP FI), Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Natural Capital Finance Alliance, and member of influential national and global alliances including the India GHG Program, TERI Council for Business Sustainability, and the World Business Council for Sustainable Development.

During the year, the Bank spoke at the UN High-Level Thematic Debate, at the UN in New York in April 2016. The Bank was also invited as the Lead Discussant to the UN Private Sector Forum at the UN General Assembly in September 2016.

The Bank spoke at the World Bank Group's Dialogue for Climate Action in Vienna in May 2016, and also spoke at the Climate Week organized by the World Bank in New York in September 2016, where it was applauded for its pioneering role in launching green bonds in India.

YES BANK was the only Indian bank to be invited to speak at the G20 ESG Workshop in Berne, Switzerland in May 2016, where the Bank's pioneering work in green finance was highlighted.

Significantly, at the COP22 in Marrakech, Morocco, the Bank's CSR project, 'Say YES to Sustainable MSMEs in India' was highlighted as a Role Model case study by the World Resources Institute, and showcased at the Conference's India Pavilion.

NATURAL CAPITAL FINANCE ALLIANCE

YES BANK, in 2013, had become 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 framework, disclosure mechanisms and reporting measures to integrate, value, and account for natural capital.

YES BANK has been re-elected unanimously to be the Chair of the Steering Committee of NCFA for 2018, overseeing NCFA's strategy and providing direction/oversight for the Working Groups and the Secretariat. The Bank's activities at the NCFA is reported in the Natural Capital section of this Report.

PARTNERSHIP WITH UNITED NATIONS ENVIRONMENT PROGRAMME FINANCE INITIATIVE (UNEP FI)

YES BANK, as the first Indian signatory to the UNEP FI, a global partnership between the UNEP and financial sector, continues to play a leadership role at the platform.

Namita Vikas, Group President & Global Head – Climate Strategy & Responsible Banking, YES BANK, was the Asia-Pacific Chair of the UNEP FI for 2016 and the Bank is elected to its Global Steering Committee. As a part of the Board of the Banking Commission of UNEP FI, the Bank is actively engaged in its primary work streams such as the Positive Impact Working Group (PIWG), whose role is to define and carry out the activities necessary towards Positive Impact Finance (PIF). The Principles for Positive Impact Finance were launched in Paris on January 30, 2017 by 19 leading banks and investors including YES BANK, totaling $6.6 trillion in assets. The Principles provide guidance for financiers and investors to analyze, monitor and disclose the social, environmental and economic impacts of the financial products and services they deliver. YES BANK was one of the key members involved in the development of the principles and going forward the Bank will be considering piloting the Principles on a part of its portfolio. YES BANK's deep engagement with UNEP FI has also provided it the opportunity to be a part of climate finance discourse under the aegis of the UN Secretary General's team on Climate Change.

DEVELOPING VOLUNTARY GUIDELINES ON RESPONSIBLE FINANCING FOR INDIA

YES BANK continues to partner with the Indian Banks Association (IBA), and GIZ to develop the National Voluntary Guidelines on Responsible Financing. The Guidelines aims to promote financial institutions to adopt eight principles, which include Guidance on ethical conduct and Environmental & Social (E&S) governance, E&S risk management, Minimizing environmental footprint in internal operations, Environmentally friendly products, services and investment, Enabling inclusive human and social development, Stakeholder engagement, Commitment to human rights, and Disclosure.

E&S RISK ASSESSMENT FOR SME LENDING

In the reporting period, the Bank, jointly with KPMG International and GIZ, conducted workshops on E&S Risk Assessment for SME Lending. The trainings were conducted in Mumbai and Delhi, for the Emerging Business Banking (EBB) and Small Business Banking (SBB) teams with the objective of improving their understanding of the MSME sector through environmental and social lens, and to expand the scope of risk management to include non-financial risks. The workshops were successfully concluded with participation of over 50 YES BANK leaders.

INTELLECTUAL CAPITAL (CONTD.)

E&S Risk Assessment for SME Lending workshop in Mumbai

CARBON PRICING LEADERSHIP COALITION

In May 2016, YES BANK became the First Indian Bank to join the Carbon Pricing Leadership Coalition (CPLC), a first-of-its-kind voluntary partnership of national and sub-national governments, businesses, and civil society organizations, led by the World Bank Group.

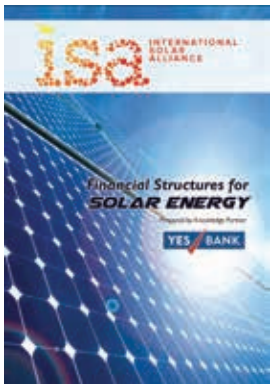
Following the increased emphasis on "putting a price on carbon", corporate sector and governments have been initiating conversations to address climate change and transition from 'concern' to 'action'. Towards the same, The World Bank Group, business groups, and investors have called on governments and corporations around the world to support carbon pricing to bring down emissions and drive investment into cleaner options.

Launched in December 2015, during the COP21 climate negotiations in Paris by World Bank and other founding members, Carbon Pricing Leadership Coalition's vision is to cover 25% of global GHG emissions by explicit carbon prices by 2020 and to double this again by 2030. As a private sector partner to CPLC, YES BANK has committed to work for building momentum of carbon pricing.

The coalition currently has 28 government partners including Canada, Italy, France, Germany, Switzerland and United Kingdom and 136 private sector partners including Coca-Cola HBC AG, Ernst & Young, Nestlé, Philip, Unilever, Mahindra and Tata Group among others.

KNOWLEDGE REPORTS

FINANCIAL STRUCTURES FOR SOLAR ENERGY



International Solar Alliance (ISA) was launched at COP21, as a coalition of 121 solar resource rich countries, to accelerate investments in solar through development of innovative financial mechanisms for reducing cost of capital and enhancing investor confidence and commitment to the sector. ISA aims to achieve 1,000 GW of deployed solar capacity by 2030 across its member countries, which is expected to require investments to the tune of at least USD 1 trillion.

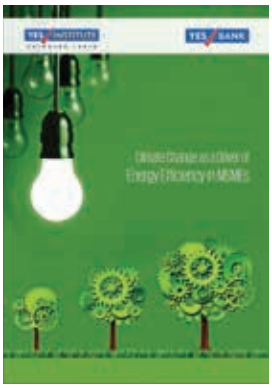
This report is an attempt to address the need for enhancing investment and availability of funds for solar energy through financial & non-financial mechanisms and structures and encouraging policy makers and financial institutions to think beyond the 'notions' for developing innovative approaches towards this global endeavor. The report was placed at the 3rd meeting of International Solar Alliance at New York on April 22, 2016.

TRANSPLANTING GROWTH GREENING OUR HIGHWAYS

India stands at the cusp of economic revolution as the fastest growing economy in the world. Roads and transportation are bound to play a quintessential role in connecting and sustaining the economy and also assist social cohesion. As India goes on creating these new avenues of its success, due considerations have to be given to environmental aspects in their planning and construction process.

Transplantation of trees to the sides of the highways presents a win-win situation for economy, environment and the society. This paper puts transplantation at the center of discussion as the 'preferred' technique for plantation along the highways highlighting the need for developing guidelines to do so in a methodical manner. The paper also presents a sample matrix to select the right species for transplantation along the highways. The paper was launched by Nitin Gadkari, Minister of Road Transport and highways, Government of India, at New Delhi on July 01, 2016.

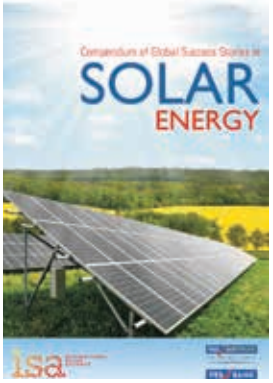
CLIMATE CHANGE AS A DRIVER OF ENERGY EFFICIENCY IN MSMES



Micro, Small and Medium Enterprises (MSMEs) play a very important role in India's growth story contributing about 38% to the GDP, accounting for nearly 40% of the exports and employing 117 million people. Given their significance, it is important for the MSME sector to embrace low carbon pathways to drive sustainability and create a climate resilient economy. Energy efficiency therefore assumes greater importance and needs particular attention within the MSME sector.

The YES BANK knowledge report 'Climate Change as a Driver of Energy Efficiency in MSMEs' is a step towards exploring new and innovative mechanisms to scale up and drive energy efficiency projects in the MSME sector. The report undertakes a primary research on six MSME clusters across the country and sets out strategies directed towards climate-targeted development of the MSMEs focused on 'hardware' such as technology, infrastructure, financing and 'software' such as skill development, collaboration and inclusivity. The report was widely disseminated at the 11th CII Sustainability Summit 'Global Goals & Competitiveness' in New Delhi on September 14, 2016.

COMPENDIUM OF GLOBAL SUCCESS STORIES IN SOLAR POWER



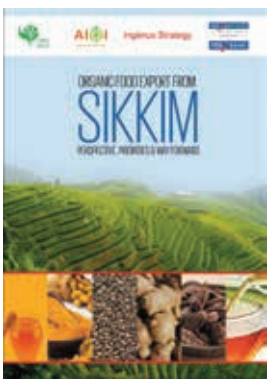
YES BANK, under the guidance of Ministry of New and Renewable Energy (MNRE), prepared a compendium of global success stories from across 60 countries in case study format. The compendium highlights replicable and scalable models demonstrating deployment of new technologies, business models, innovative financing mechanisms and enabling policy frameworks. It is a valuable document for all the relevant stakeholders including Government, businesses, policy makers and financial institutions to co-create an enabling environment to fuel solar sector development in the country through knowledge sharing and replication of best practices. The compendium was released at the International Energy Conference in Vadodara on October 06, 2016.

INTELLECTUAL CAPITAL (CONTD.)

Launch of the 'Compendium of Global Success Stories in Solar Power' by Piyush Goyal (Minister of State with Independent Charge for Power, Coal, New and Renewable Energy and Mines, Government of India), Vijay Rupani (Chief Minister, Gujarat) and senior Government officials at the International Energy Conference in Vadodara on October 06, 2016

Launch of Knowledge Report 'Transplanting Growth Greening our Highways' by Nitin Gadkari (Minister of Road Transport and Highways & Shipping, Government of India), Namita Vikas (Group President & Global Head, Climate Strategy & Responsible Banking, YES BANK) and senior Ministry officials at New Delhi on July 01, 2016

FASAR



In line with YES BANK's approach of being a knowledge-driven organization, a specialized Food & Agribusiness Strategic Advisory & Research group (FASAR) has been domiciled within the Bank. The group houses industry specialists with immense sectoral knowledge and relevant experience and expertise in the conceptualization and implementation of food & agri initiatives.

FASAR continues to closely work with corporates, small & medium enterprises, multinationals, central government, state governments & multilateral agencies to execute project advisory, strategic advisory & policy advisory across the key growth sectors such as Agri Exports, Agri Inputs, Agricultural Marketing, Agri Value Chain, Biotechnology, Dairy, Animal Feed, Food Processing & Food Parks, Food Services, Food Safety,

Farm Mechanization, Horticulture, Marine Industry, Organic Value Chain, Poultry Industry, Plantations, Warehousing & Cold Chain, amongst others.

In 2016-17, FASAR executed 26 new advisory mandates on Agri Infrastructure, Value Chain, Sugar Industry, Agri exports, Farm mechanization, Food Processing, Plantations, Organic, Dairy and Feed.

FASAR also conducted in-depth research on various sub-sectors of Food & Agri domain and publishes knowledge reports and research papers on key trends and developments in the sector. The team has authored knowledge reports with various partners covering the latest industry trends and sectoral issues.

During the year, FASAR partnered with various external stakeholders to bring forth sector specific reports on Dairy, Innovations in Indian Agriculture, Farm mechanization, Cold Chain, Organic, FDI in Food Retail and Horticulture.

STRATEGIC GOVERNMENT ADVISORY

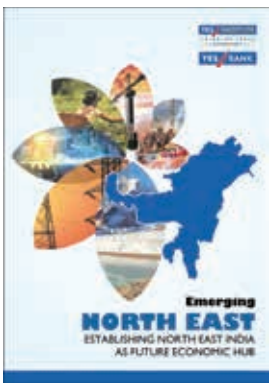
Strategic Government Advisory (SGA) is a dedicated division designed to deepen the Bank's engagement and partnership with a wide range of stakeholders including Central Government ministries, State Governments, Bilateral & Multilateral Agencies, Key Educational Institutions, Think-Tanks, Industry Associations/Chambers, International Trade Bodies, Corporate Partners and Voluntary Groups amongst others. Knowledge bankers at SGA have cross-functional domain expertise and experience across key sectors such as Infrastructure (including social infrastructure), Tourism, Education and e-Governance.

As a division unique to the banking industry, SGA has extended strategic advisory services and supporting development programs through a wide variety of engagements including Policy Advocacy, Bid Process Advisory, implementation of specific

YES BANK as Knowledge Partner to the Incredible India Tourism Investors Summit 2016 has supported State Governments in showcasing their tourism investment opportunities. Nikhil Sahni (Group President, Government Banking and National Head, Branch Banking, YES BANK) addressing the delegates of the event.

Nikhil Sahni (Group President, Government Banking and National Head, Branch Banking, YES BANK) moderating a session during the Global Rajasthan Agritech Meet on 11 November, 2016 at Jaipur

INTELLECTUAL CAPITAL (CONTD.)



projects on PPP mode, in addition to the thought leadership, knowledge partnerships and Research & Advisory services to State & Central Government organizations. The strength of this approach lies in the Bank's capability to effectively integrate all stages of projects – right from conceptualization, structuring of projects, extending to facilitating investments from the private sector.

SGA also works with the Government to participate in developing innovative financial and banking solutions to cater the unique needs of the Public Sector, to secure empanelment for the Bank, and to identify areas outside the current realm of engagement where banks can deliver on their role as drivers of economic growth. These include working with the Government in showcasing mechanisms for better returns, developing cashless payment and transaction solutions and efficiency across the financial supply chain between Union Government, State Governments, Local Governments and citizens or beneficiaries.

SGA has successfully executed over 300+ mandates and knowledge reports over last 12 years, with focused research that offers visionary perspectives, document successful interventions and highlight investment potential in different regions of the country.

BUSINESS ECONOMIC BANKING

India remains one of the fastest-growing large economies of the world, aptly described as the brightest spot on the global map. The Indian Economy has transitioned from a state of crisis of confidence in 2013 to a bright spot in 2017.

A lucid and comprehensive understanding of all the trends and nuances of the Indian Economy is an imperative in the ever-changing global economic order. Business Economics Banking (BEB) is the research and knowledge-driven team, domiciled within the Bank, which provides authoritative, cutting edge macro/markets outlook and sectoral research content, both for external and internal consumption.

The team, through active participation in client meetings and industry engagements, aims to further deepen YES BANK's Mindshare. With strong international linkages and memberships,forums, digital enablement of vast economic research and forecasts as well as strategic convening with key Government and Industry stakeholders, Business Economics Banking plays a leading role in positioning the Bank 'glocally'.

The BEB team, led by eminent economist Dr. Shubhada Rao, who brings with her close to three decades of unparalleled experience, 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 of its expertise, the team won the Reuters Most Accurate Forecaster Award for 2016 for the Indian economy.

YES GLOBAL INSTITUTE

YES Global Institute, a practicing think-tank, has been established as a division of YES BANK to focus on channelizing private sector capital towards India's development, and houses all the knowledge verticals within the Bank.

YES Global Institute in partnership with ISDI, hosted Professor John Hoffmire (University of Oxford) (First from left), on a talk and simulation on Crowd-Funding

The Institute's approach on taking these themes forward is to be a leading ecosystem player, thereby connecting capital to growth and development projects. This is done via its research, analysis, convenings of Glocal leaders, and finally through launching market-based solutions for engaging private sector capital in India's evolution. Aligning with the global economic trends, the Institute recognizes new-age, innovative social entrepreneurs' solutions and links them with impact investments in order to generate financial and social returns.

For more details on YES GLOBAL INSTITUTE and its initiatives, please visit the Institute's website https://www.yesinstitute.in/

NATIONAL CFO FORUM

With an objective to recognize and appreciate the indispensable role of the CFO in an organization, YES BANK launched the National CFO Forum as a unique knowledge initiative in 2011. Launched with a 15 member governing council and 100 members, the forum has grown into the largest community of CFOs & financial leaders in India with 600 members and 40 member governing council.

The forum now has 8 regional chapters, and CFOs & top finance leadership from leading private, MNC & public sector companies across industries participate in various Forum initiatives for business expansion and growth. In addition to conclaves and roundtables hosted across India, the Forum publishes the quarterly magazine, YES CFO Insights, as a valuable repository of experiences, thoughts and insights of CFOs in India. Focusing on contemporary themes, pertinent to recent economic developments and policy changes.

In March 2016, the Forum launched an interactive website to create an online platform for the CFO community to increase regular interaction with one another and share views on key topics of interest.

CFO Insights, the quarterly magazine published by YES BANK and YES Global Institute focuses on thought leadership articles and interviews on topical issues in business and finance, economy, and public policy. The magazine enjoys a readership of 15,000 of the most influential business and finance leaders in the country, in addition to lakhs of readers who consume it digitally. Past editions of the magazine has focused on themes like Make in India, e-Commerce, Innovation, Corporate & Financial Governance, Women Leadership & MSMEs, Digital Disruption among others.

NATURAL CAPITAL

Natural Capital refers to the natural resources that the Bank uses to create value for its stakeholders, as well as climate finance it mobilizes to promote natural resource preservation and environmental mitigation.

1,158 MW	2,229 MSMES	16.5%	447
RENEWABLE ENERGY SECTOR EXPOSURE	SUPPORTED THROUGH SAY YES TO SUSTAINABLE MSMEs	DECREASE IN SPECIFIC GHG EMISSIONS	LOCATIONS ISO 14001:2015 CERTIFIED

YES BANK, in its 13 years since inception, has firmly placed Natural Capital as one of its key focus areas. The Bank has one of the largest Renewable Energy lending portfolios among private sector banks, is the first Indian bank to be ISO 14001 certified for Environmental Management System, the first Indian signatory to the Natural Capital Declaration, is recognized as a Climate Disclosure Leader, and drives environmental sustainability initiatives as its CSR focus.

INTEGRATING NATURAL CAPITAL: A CONTINUAL IMPROVEMENT JOURNEY

In line with its commitment to achieve internal natural resource consumption efficiencies and minimizing its carbon footprint, YES BANK became the first commercial bank in India to achieve the ISO 14001:2004 certification in 2013. The certification was based on the Bank's Environmental Management Policy that outlined the Bank's commitment to achieve a 5% reduction in its carbon emissions intensity annually.

In the reporting period, YES BANK became the FIRST Bank GLOBALLY to migrate to the latest ISO 14001:2015 Environment Management System (EMS) standard, within a year of its release. The Bank has also enhanced the scope of its EMS, covering 444 metro urban branch locations, and has included its Retail Asset operations in the certification program.

The recertification to the new standard is based on the Bank's new Environmental Management Policy released in 2016 which entails achieving internal natural resource consumption efficiencies and firmly outlines the Bank's commitment to achieve a minimum of 10% reduction in its carbon emissions intensity through broad-level actions. The new Policy highlights greater commitments to environment protection and commitment to source renewable energy for the greening the Bank's operations.

Extensive awareness campaigns and training programs were conducted throughout the year, which helped the Bank in involving all employees to collaboratively work towards reaching higher

environmental performance standards. The Bank trained all its employees on the Environmental Management System through a comprehensive E-Learning module, leading to greater employee awareness and participation. The Bank also circulated resource conservation mailers, signage and posters widely, internally.

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:

- **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, based on the estimated number of sheets typically required

- **Click to Happiness:** The Bank had initiated a completely digital personal loan system for employees in December 2015, processing 2,582 loan applications by March 2017, thus avoiding the potential use of approximately 2,582,000 A4 sheets of paper (based on the estimate of each manual loan sanction process requiring an average 100 A4 sheets per application)

- **e-KYC:** In 2015, the Bank initiated electronic verification for its new customers, through e-KYC (Know Your Customer), resulting in greater paper savings as a result of reduced requirement for physical documents

- **Digital Reimbursements:** The Bank has digitized all employee reimbursement claims, such as mobile phone, local conveyance, outstation travel, staff relocation, through an internal YES PAY platform. The initiative, since it becoming operational in October 2014, has resulted in total paper savings of 186,881 A4 size sheets (as on March 31, 2017). This saving consists of avoiding 36,311 Employee Mobile expense claims of an estimated average 3 sheets per claim, and 38,974 Local Conveyance expense claims of an estimated average 2 sheets per claim.

REDUCE, REUSE AND RECYCLE

During the year, the Bank continued its focused efforts in resource consumption reduction through various initiatives. Key initiatives include:

- A partnership has been initiated with a waste aggregator

- A pilot project to recycle all the paper waste generated by the Bank has been implemented. The pilot is running across 66 branches and the corporate office in Mumbai

- The Bank promoted car-pooling among its employees using mobile app based solutions at some of its major locations

- The Bank encouraged individual business units to take commitments at a leadership level to reduce their dependency on paper resulting in more accountability and ownership

E-WASTE MANAGEMENT

Owing to the high dependency on technology, electronic waste is a primary environmental concern for the Bank. The Bank has empanelled Central Pollution Control Board (CPCB) authorized third party e-waste handlers for disposal of e-waste from its locations across India.

- In FY 2016-17, the Bank responsibly disposed 1,510 assets as e-waste which included desktops, printers and laptop hardware, UPS, and server hardware

- The Bank continued its partnership with Canon to responsibly dispose 135 empty toner cartridges during the year

NATURAL CAPITAL (CONTD.)

INFRASTRUCTURE

YES BANK has been incrementally investing in technology to renew existing infrastructure to improve performance and enhance resource-efficiency.

- The Bank has been migrating to LED lighting in phases. As on March 31, 2017, 3,128 LED lights have been installed at 136 new branch locations with a potential saving of 2,26,780 kwh of energy consumption and ₹ 22.6 lakhs in monetary savings annually
- To optimize the water usage, the Bank has installed pressure compensating aerators in water faucets at key locations
- CO_2 monitoring equipment were installed at YES BANK Tower, Mumbai to monitor and improve the ambient air quality in the work space

STEPS TAKEN AND IMPACT ON CONSERVATION OF ENERGY

YES BANK's energy management initiatives over a 2 year period will aim at reducing 18-20% energy consumption from sustainable facility management.

- Installations of IoT based energy monitoring system which helps in dynamic monitoring of consumption across facilities and result in 5 to 7% savings. The pilot study conducted over 10 branches was successful and the Bank would target metro urban branches for implementation in 2017-18. In a second level pilot, it achieved between 8-12% drop in energy consumption in FY 2016-17
- Similarly Power factors at branches are being monitored above 0.9 with the help of capacitor bank and monitoring panels are installed and reduce risk of penalty levied by DISCOMs
- The air conditioning replacement model has been developed with a criteria for replacing old models with an energy consumption of 1.6-1.8 times of peak load and temperature control with dedicated AHU units for centralized AC systems are being carried out
- Retrofit solutions for HVAC systems, which has a potential saving of 10 to 15%, would be incorporated in a phased manner over a 2 year period. Maintaining AC temperature above 25^0 Celsius all the time has helped the bank to achieve 3% saving of hourly KWh consumptions
- 92% of YES Bank branches are issued Petro cards for procurement of diesel, which has resulted into enhanced transparency, reduce wastages and cost saving of 15-20% over last financial year

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. The Bank encourages branches to lead their own mitigation initiatives and shares best practices across other branches. Water efficient faucets design is one of the initiatives taken at corporate offices and in FY 2016-17, 96 water efficient faucets were installed with a design capacity of saving 1 liter of water per minute, leading to 1.05 lakhs Kiloliters# of water saving annually. The Bank is looking at monitoring of water consumption at branches periodically and metering system are being installed.

#Assumption: Everyday approx. 3,000 employees at the Bank's head office at IFC, Mumbai use water taps for 1 min average.

LEADERSHIP IN CLIMATE DISCLOSURE

CDP
DRIVING SUSTAINABLE ECONOMIES

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 a clear climate action strategy, the Bank has been recognized as a Climate Disclosures Leader consistently. The Bank's responses for FY 2016-17 to the CDP would be submitted by its annual deadline of June 29, 2017.

PERFORMANCE OF ENVIRONMENTAL PARAMETERS

Parameter	Units	FY 2016-17	FY 2015-16	FY 2014-15
Scope 1 Emissions – Diesel	tCO_2e	942	1,098	994
Scope 1 Emissions – Refrigerant ##	tCO_2e	1,349	553	N.A.
Scope 2 Emissions #	tCO_2e	34,226	30,946	28,196
Total Emissions (Scope 1+2)	tCO_2e	36,518	32,598	29,190
Scope 3 Emissions **	tCO_2e	2,642	1,544	907
Diesel Consumption	Liters	356,359	415,305	375,666
Grid Electricity Consumption	MWh	41,740	37,740	34,385
Total Employees as on March 31, 2017	FTE	20,125	15,000	10,810
Scope 1 & 2 emission intensity per employee		1.81	2.17	2.70
% Reduction Y-o-Y	%	16.5	19.52	6.25

* Diesel Consumption and related Emissions have taken extrapolated data for March 2016 basis of the average of previous 11 months data.

** Scope 3 includes Business Air Travel by the employees.

Grid Electricity Consumed has been calculated from the electricity bills for all locations, hence a 15% reduction in the calculation has been considered to account for Government taxes and overheads

Scope 1 emissions include CO_2, N_2O and CH_4 emissions from YES BANK's diesel usage and 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.

Note: Scope 2 emissions include CO_2 emissions from electricity consumed by YES BANK. The emission factors have been taken from CEA's (Central Electrical Authority) CO_2 database, version 10. The cost of electricity consumed pan bank is converted in quantities of electricity consumed by using state level tariffs. Like 2012-13 (base year), we have used operational control approach for measuring and managing these emissions.

NATURAL CAPITAL INITIATIVE

YES BANK had launched the Natural Capital Initiative in 2013, reflecting its proactive approach in the natural capital space. The objective has been to bring together an ecosystem that would help in developing appropriate regulatory framework, disclosure mechanisms and reporting measures to integrate, value, and account for natural capital. This commitment was also emphasized by the Bank becoming the first Indian signatory to the Natural Capital Declaration, now a part of Natural Capital Finance Alliance (NCFA).

NATURAL CAPITAL (CONTD.)

NATURAL CAPITAL FINANCE ALLIANCE – STEERING COMMITTEE AND WORKING GROUPS

YES BANK has been the Chair of the Steering Committee of NCFA since January 2016, overseeing NCFA's strategy and providing direction/oversight for the Working Groups and the Secretariat. In addition, YES BANK:

- Is responsible for ensuring that all working groups deliver effective and complementary outputs to support implementation of the NCFA commitments
- Reviews progress across all Roadmap activities on a quarterly basis
- Reviews key implementation planning documents to agree milestones and outputs for NCFA implementation
- Reviews key outputs of Working Groups to ensure they support implementation of NCFA commitments, delivering against objectives in the roadmap and business plan
- Oversees budgetary decisions on the distribution of funds across Working Groups and expenditure within Working Groups
- Works with the Secretariat to ensure that Working Groups establish adequate third-party independent peer review processes to help ensure the quality and credibility of outputs.

NATURAL CAPITAL CONSERVATION – SAY YES TO SAVE THE GODAWAN

In 2015-16, YES BANK, in partnership with the Government of Rajasthan, launched the 'Say YES to Save the Godawan' towards protecting the critically endangered Great Indian Bustard or Godawan, the state bird of Rajasthan. As part of

7 GIBs were spotted in Camera Traps within the YES BANK supported safe enclosures in the Desert National Park, Rajasthan. *(Photo credit: Anoop KR, Dy. Conservator of Forests, Desert National Park, Jaisalmer, Rajasthan)*

the initiative, enclosures were developed in the Desert National Park near Jaisalmer for the bird to reduce human intervention in its natural habitat. The Bank also engaged with the rural community by sensitizing them on conserving the habitat. Efforts over the past two years have borne results as the enclosure has now become an activity hub for Godawan and other species such as desert cats and vultures. Total number of sightings has increased manifold as more of these critically endangered birds now find a safe haven here.

SAY YES TO GREEN HIGHWAYS

India has committed to creating an additional carbon sink of 2.5 to 3 billion Tons of CO_2 Equivalent through additional forest and tree cover by 2030, as part of its Nationally Determined Contributions (NDC). Enhancing the tree cover around India's rapidly expanding national highways has a potential to not only expand the country's green cover but also generate employment opportunities for the rural community, and is being driven by the National Green Highways Mission (NGHM), under the National Highways Authority of India (NHAI), Ministry of Road Transport and Highways, Government of India.

YES BANK is the first private sector player to enter into CSR commitment with the NHAI under its 'Adopt a Green Highway' program and launched 'Say YES to Green Highways' in FY 2016-17 under the YES COMMUNITY umbrella. Details on the initiative are covered under Social & Relationship Capital section of this Report.

NATURAL CAPITAL INITIATIVES BY YES GLOBAL INSTITUTE

The increasing effects of climate change on species and habitats coupled with the ecological externalities of economic growth accentuate the need of a Natural Capital focus. Following a 'Triple A' approach – Awareness, Advocacy & Action, the Institute is working towards promoting India's 'green economic growth'. Its focus themes include projects under the banners of Eco-Tourism, Forestry and Wildlife, Agriculture and Urban Ecology.

- **YES Global Institute Natural Capital Conservation Dialogue Series:** The dialogue deliberated on innovative instruments for financing natural capital projects and ecosystems services

- **'International Bamboo Studio':** The unique bamboo design studio and workshop organized by National Institute of Design's (NID) Center for Bamboo Initiatives was held in Bengaluru and supported by the Institute

- **Natural Capital Awareness Videos:** Working with Tittar Lodge Productions and actor Gul Panag, the Institute is creating a unique awareness video on Organic Food Cultures in India. The 'Organic Langar' in Golden Temple in Amritsar and 'Urban Organic Farming' in Mumbai are key case studies

- **Natural Capital Advocacy:** The Institute has been instrumental in drafting a policy motion on 'Protection, restoration and sustainable use of urban water bodies in India' at the IUCN's World

NATURAL CAPITAL (CONTD.)

Conservation Congress 2016 in Hawaii. Global Bamboo Summit 2016: The Institute supported the Global Bamboo Summit 2016 organized by Governments of India and Madhya Pradesh in Indore, Madhya Pradesh. The Institute is also focused on reinvigorating opportunities in the sector and advocating for the need for collective action and policy

- **Ecotourism Potential at Tiger Reserves around Nagpur:** The Institute has led a study, identifying eco-tourism opportunities at Umred, Karandhala, Tadoba, Andheri and Nawegoan, Nagzaria tiger reserves in Maharashtra. The Institute is also working towards highlighting the current infrastructural gaps to provide a roadmap for development

ENVIRONMENT & SOCIAL POLICY

YES BANK believes that it is critical for banks to have an established framework to recognize, evaluate, monitor and manage the environmental and social facets in day-to-day decision-making process. It is also becoming increasingly imperative for banks to consider the 'sustainability dimension' in making credit decisions. In line with its Responsible Banking strategy and practices, YES BANK has been taking a precautionary approach to environmental and social impacts, resulting from its lending activities.

The Bank's Environment and Social Policy (ESP), implemented in 2006, serves as a structured approach towards responsible lending. Through this policy, the Bank integrates environmental and social risks into its overall credit risk assessment framework. The Bank has voluntarily adopted the policy which is based on international frameworks such as the Equator Principles and IFC guidelines. The ESP continues to be a crucial part of the Bank's credit risk appraisal process, which goes beyond the realm of financial risk mitigation.

POSITIVE IMPACT CLIMATE FINANCE

YES BANK continues to believe that proactive corporate intervention is critical to achieving global climate goals, with financial institutions having a larger role in driving climate action. The Bank remains fully committed to playing the role of a catalyst and work towards unlocking innovative financial mechanisms towards achieving India's ambitious target of combating climate change in the near and long-term.

With the integration of positive climate action into its business strategy, operations, reporting and disclosures, risk frameworks, and business portfolio, YES BANK continues to have one of the largest portfolios in renewable energy, in the private banking space in India, and has successfully scaled up its lending to key renewable energy projects in wind, solar and small hydro, executing some of the largest deals in this sector.

RENEWABLE ENERGY LENDING & ADVISORY

It is estimated that USD 2.5 trillion would be needed by 2030 to fund India's NDCs. The need for climate finance continues to increase in India, which is demonstrated by India's target to achieve 175 GW Renewable Energy by 2022. The market remains a witness to an expansive growth with an additional capacity of over 11 GW of clean energy added in 2016-17 alone. During the year, YES BANK had exposure 1,158 MW of Renewable Energy projects including solar, wind and biomass, and holds a leadership position in this space.

Key transactions of the Bank in the reporting period include:

- Underwriter of Term Debt of ₹ 1.7 billion for 40 MW Solar power project in Maharashtra

- Refinancing of Term Debt of ₹ 0.45 billion for 6 MW Solar Power Project in Maharashtra/Uttar Pradesh

- Refinancing of Term Debt of ₹ 0.10 billion for 5 MW Small Hydro Project in Himachal Pradesh
- Underwriter of Term Debt of ₹ 0.17 billion for 2 MW Small Hydro Project in Himachal Pradesh
- Participated through Term Debt of ₹ 0.60 billion for 30 MW Solar Power Project in Madhya Pradesh
- Underwriter of Term Debt of ₹ 1.76 billion for 30 MW Solar power project in Telangana
- Underwriter of Term Debt of ₹ 2.53 billion for 48 MW Solar power project in Telangana
- Underwriter of Term Debt of ₹ 1.17 billion for 24 MW Wind power project in Gujarat
- Underwriter of Term Debt of ₹ 32.45 billion for 500 MW PV Solar Power Project in Andhra Pradesh (NTPC)
- Underwriter of Term Debt of ₹ 1.95 billion for the 34 MW Wind Power Project in Gujarat
- Underwriter of Term Debt of ₹ 1.71 billion for the 34 MW Wind Power Project in Gujarat
- Underwriter of Term Debt of ₹ 2.05 billion for 34 MW PV Solar Power Project in Telangana
- Underwriter of Term Debt of ₹ 3.23 billion for 50 MW PV Solar Power Projects in Telangana
- Underwriter of Term Debt of ₹ 2.69 billion for 42 MW PV Solar Power Projects in Telangana
- Underwriting cum Refinancing of Term Debt of ₹ 3.51 billion for 51 MW Wind Power Project in Karnataka
- Refinancing of Term Debt of ₹ 250 million for 8.25 MW Wind Power Project in Maharashtra
- Underwriter of Term Debt of ₹ 3.33 billion for 50 MW PV Solar Power Project in Telangana (NTPC)
- Refinancing of Term Debt of ₹ 1.72 billion for 20 MW PV Solar Power Project in Rajasthan under NVVN
- Underwriter of Term Debt of ₹ 2.52 billion for 50 MW PV Solar Power Project in Rajasthan under NVVN
- Underwriter of Term Debt of ₹ 2.72 billion for 40 MW PV Solar Power Project in Karnataka (SECI)
- Underwriting of Term Debt of ₹ 2.60 billion for 60 MW Solar PV Power Project in Karnataka

SUSTAINABLE INVESTMENT BANKING

Sustainable Investment Banking (SIB) is a knowledge focused initiative of YES BANK providing investment banking and advisory services to company's operating in the sustainability space including Renewable Energy, Environment & Education. It is the first investment bank in India with a dedicated team of experienced professionals for clean energy and sustainable sectors.

SIB specializes in private equity fund raising, merger & acquisition, technology transfer, business advisory, corporate restructuring. It has successfully completed 34 transactions in the sustainability space cumulating to a transaction value of USD 7.5 billions.

During the reporting period, SIB successfully closed the following transactions:

- Acted as an exclusive advisor to Atria Power for raising ₹ 7,500 millions Mezzanine capital from Piramal Group
- Acted as an exclusive advisor to Fonroche Energie SAS for sale of 22.3 MW operating solar projects to Hinduja Group
- Acted as an exclusive advisor to Indo Rama Renewables for sale of 30 MW operating wind assets to Tata Power Renewable Energy

NATURAL CAPITAL (CONTD.)

YES BANK ISSUES ITS THIRD GREEN BOND TO FMO

Green bonds (bonds to fund climate adaptation and mitigation projects) have emerged as a key financing mechanism driving the national economy's transition to a greener future. The green bond space in India has grown to over ₹ 19,500 crores (equivalent to USD 2.7 billions) since India's maiden issuance of ₹ 1,000 crores in Feb 2015 by YES BANK. In August 2015, YES BANK further strengthened the green bond market with issuance of ₹ 315 crores (USD 50 millions equivalent) to International Finance Corporation (IFC) on private placement basis, with culmination of the first offshore rupee dominated bond or "green masala bond".

In September 2016, YES BANK issued its third green bond, ₹ 330 crores (approx. USD 50 millions equivalent) to FMO the Dutch Development Bank, on a private placement basis with a 7-year tenure. This is FMO's first Investment in a Green Bond issued in India.

FMO is investing in YES BANK's bonds through FMO's own sustainability bonds. The amount raised is going to be used by YES BANK to finance Green Infrastructure including solar and wind projects in the renewable energy space. This issuance has received a third-party pre-assurance by KPMG. Following the internal guidelines for adherence to Green Bond Principles instated by YES BANK, this green bond issue is in line with the Green Bond Principles 2016.

One of the unique features of the transaction lies in its innovative financing structure. FMO has used the proceeds of sustainability bonds raised by them to invest in this third green bond issued by YES BANK. Following a similar structure by IFC last year, this provides an effective mechanism to channelize funds for green financing from foreign green investors to emerging nations like India.

YES BANK SIGNS MOU WITH SIDBI FOR ENERGY EFFICIENCY OF MSMES

With over 51 million MSME units in India, which account for 40% of the total exports and contribute to 38% of the GDP, the sector is emerging as a power house for growth in India. Identifying the energy saving potential of MSMEs, Small Industries Development Bank of India (SIDBI) launched a Partial Risk Sharing Facility (PRSF) scheme under World Bank initiative for promoting energy efficiency by providing partial guarantee of 75% of the loans up to ₹ 15 crores for energy efficiency projects.

In July 2016, YES BANK became the first Financial Institution to sign an MoU with SIDBI to implement this scheme. Committed to enhancing the overall competitiveness and sustainability of this agile sector, YES BANK strongly believes that financial institutions need to play the role of sustainability catalysts and transform their financial systems to become more inclusive and make MSMEs and climate finance a part of their core business strategy.

REVIEW OF YES BANK'S PRACTICES IN ENVIRONMENTAL RISK ANALYSIS

Under its first Presidency of the G20, China established a Green Finance Study Group (GFSG), reporting to Finance Ministers and Central Bank Governors. The GFSG's objective has been to identify institutional and market barriers to green finance and, based on country experiences and best practices, analyze options on how to enhance the ability of the financial system to mobilize private green investment, thereby facilitating the green transformation of the global economy.

To deliver this objective, the GFSG has been addressing a set of interrelated challenges across five areas of research, three of which have a sectoral

focus ('greening the banking system', 'greening the bond market', 'greening institutional investment') and two of which are cross-cutting ('risk analysis' and 'measuring progress').

The GFSC, in knowledge partnership with the Cambridge Center for Sustainable Finance, Cambridge Institute for Sustainability Leadership (CISL) presented a compendium of the tools and techniques that financial institutions are developing to analyze environmental risks so as to mainstream financial decision-making, also featuring YES BANK' approach measuring and managing its exposure to natural capital risks.

In the context of a study commissioned by GIZ on behalf of the German Ministry for Economic Cooperation and Development (BMZ), the Bank engaged Trucost to understand these risks and potential opportunities. The recommendations suggest a need for more data on natural capital risk exposure and working with clients to address these risks, amongst others.

YES BANK RAISES MONEY THROUGH ITS LARGEST INFRASTRUCTURE BONDS ISSUANCE

YES BANK successfully raised ₹ 21.35 Bn in Senior Long-term Infrastructure Bonds (in September, 2016. The issue garnered huge demand from diverse set of domestic investors including Insurance companies, Asset Management Companies (AMC's), Pension Funds, Provident Funds, corporates etc. Against base issue size of ₹ 10 billions, another ₹ 11.35 billion were raised using of the Green shoe exercisable option. This multifold subscription depicts the enormous belief of these diverse set of investors in the Bank's development ethos. The proceeds from these bonds shall be used to finance long-term infrastructure projects including its associated sub-sectors along-with the affordable housing sector as a part of YBL's overall retail strategy.

YES BANK'S ENGAGEMENTS WITH THE MINISTRY OF NEW AND RENEWABLE ENERGY (MNRE)

YES BANK continues to work with Ministry of New and Renewable Energy (MNRE), Government of India, on all key initiatives including as Knowledge Partner for International Solar Alliance (ISA) launched at COP 21 summit in December, 2015 by Indian Prime Minister Narendra Modi and French President Francois Hollande. The Bank has delivered multiple presentations/reports on the ISA arena including presentation on "Mobilizing USD 1 Trillion for ISA Solar Projects" during 2nd meeting of International Steering Committee of ISA in Abu Dhabi in January, 2016. YES BANK also released a Knowledge Report on "Financial Structures for Solar Energy" during ISA's 3rd meeting in April, 2016 in New York. As a member to the US-India Clean Energy Task force, the Bank has also provided valuable inputs regularly on renewable energy policy recommendations, including PPA standardization and innovative financing market instruments including warehousing.

HUMAN CAPITAL

Human Capital refers to the employees' competencies, knowledge and experience, and their capability to utilize these to meet stakeholder needs. It also refers to development programs undertaken for the employees.

20,125	48.12	3,640	16,096
EMPLOYEES	TRAINING HOURS PER EXECUTIVE	TRAINING PROGRAMS	EMPLOYEES CLASSROOM TRAINED

YES BANK's Human Capital philosophy focuses on creating the right mindset to enable business performance by empowering and encouraging its executives to push their boundaries beyond their comfort zones, embrace challenges and drive growth, thereby deepening mind share and growing it into market share.

The Bank engages with and develops its Human Capital by creating a 'YES BANK culture', encouraging open & honest Communication, strengthening Connect among employees and community, supporting Career development and showing that it Care as an organization. All of these are underpinned by YES BANK's integrated Vision and Values framework. YES BANK has always emphasized on 'Knowledge' as a key differentiator, wherein it continuously enhances the capability and capacity of its Human Capital by creating an environment of continuous learning which equips its employees with knowledge and skills aligned to the Bank's strategic objectives, business goals, job and regulatory requirements.

The Bank's University & School Relationship Management (USRM) program is a structured, sustainable and scalable engagement process, which creates and maintains the maximum mindshare for YES BANK among the students of Top B schools in India, thereby positioning it as a preferred Employer of Choice. Hiring of 100 management graduates from premier B-Schools in FY 2016-17 through the Y-PEP (YES Professional Entrepreneurship Program), the flagship program for campus recruitment is testimony to the success of the USRM program.

In line with creating competitive advantage through HR Digitization characterized by big data, integration, mobility, social media, gamification, and cloud computing, the Bank is in the process of completing the adoption of its new HRIT system. It will enhance its ability to manage employees in a more flexible, agile and customized manner, by integration of talent management into the fabric of everyday business and by becoming a vital component of YES BANK's performance to re-affirm its commitment towards becoming 'The Finest Quality Bank of the World by 2020'.

HEALTH AND WELLNESS

YES CLUB FIT – A WELLNESS INITIATIVE

YES BANK launched an innovative pedometer-based WELLNESS initiative called 'YES CLUB FIT' to help further augment the health quotient of YES BANK executives. YES CLUB FIT was designed to help YES BANKers become more active, within the time and space constraints of modern life, via a format that is fun, team oriented and relevant to them. This was complemented with regular sessions on ergonomics, meditation, zumba and lifestyle management. This initiative attracted participation from all executives irrespective of age, gender, physical ability and fitness levels.

SAY YES TO G.R.A.C.E

Through 'Say YES to G.R.A.C.E' (Gender Respect And Commitment to Equality), a robust framework, the Bank creates awareness and periodic dissemination and reiteration of the Bank's revised Policy for Prevention of Sexual Harassment, in line with 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition

and Redressal) Act & Rules, 2013.' The Bank has an Internal Committee to investigate and inquire into sexual harassment complaints.

EMPLOYEE ENGAGEMENT

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

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 180+ Hub Branches. 'YES CLUB' facilitates participation activities around three broad themes: Social, Culture and Sports. Since its launch, YES BANKers across Hub branches have organized and participated in activities such as Sports tournaments, adventure & trekking trips, arts and crafts exhibitions, photography contests, blood donation camps, and employee volunteering activities.

WORKPLACE BY FACEBOOK

YES BANK strongly believes that an engaged team is critical in achieving its business goals. In its determined effort to make the Bank a Great Place to Work, YES BANK partnered with global social networking leader Facebook to launch 'Facebook At Work'. YES BANK was the first and only bank in India as well as one of the first 5 companies in India to launch Facebook At Work. On May 09, 2016, this platform was launched to all YES BANKers and within 45 days of its launch, 15,000 YES BANKers (100% of the workforce at the time) started leveraging this platform to share, collaborate, and ideate. A highly engaging platform, Facebook At Work (now renamed as Workplace by Facebook), is built with same intuitive architecture as Facebook but has additional streamlined features that are focused on improving team collaboration, motivation and efficiency. The Bank's goal is to improve collaboration and knowledge sharing within and between its teams.

YES LEAGUE OF EXCELLENCE

YES BANK launched its revamped Rewards & Recognition online portal called the 'YES LEAGUE OF EXCELLENCE' to provide 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 & Wish their colleagues on achievements or occasions. Reporting Managers can Nominate colleagues for Employee of the Month and similar other rewards.

EMPLOYEE ENGAGEMENT

YES BANK strongly believes that an engaged team is critical in achieving its business goals and building a sustainable organization. In an effort to make YES BANK a 'Great Place to Work', the Bank has been partnering with the Great Place to Work® Institute, India for the last 5 years to undertake an independent 'Executive Engagement Survey' and assessment of its workplace cultural practices. Great Place to Work® Institute, India conducts this survey annually across various organizations in India as a part of the 'India's Best Companies to Work For' – Survey.

The Trust Index Score for YES BANK increased over the last 5 years across all dimensions viz. Credibility, Pride, Respect, Fairness and Camaraderie. The score has consistently gone up from 70 in 2013 to 72 in 2014 to 74 both in 2015 and 2016.

In 2017 study, 13,658 YES Bankers i.e. 85% of the workforce at that time participated in the survey. As per the preliminary report, the Trust Index score has improved to be at 75 for 2017.

HUMAN CAPITAL (CONTD.)

YES WE CARE – ADOPTION LEAVE

YES BANK rolled out adoption benefits for its employees, in an effort to align organizational objectives with the needs of employees. Realizing that employees need to spend time building an emotional connect with new additions to the family and recognizing that many are choosing to adopt children, the organization introduced the benefits, applicable from August 01, 2016. Under the new policy, called 'Bringing A Beautiful Yes' rolled out under the 'Yes We Care' initiative, leaves will now be allowed for employees adopting a child. Women employees adopting a child can take two months of paid leave for adopting a child of 6 years of age or below, and one 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 leaves to seven days, which will be applicable in cases of adoption as well. Mothers resuming work post adoption receive a monetary gift voucher to welcome them back.

MY VOICE

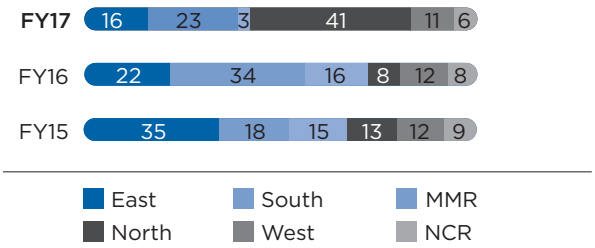
In line with the Bank's objective to provide a consistent and superior service experience for its employees, 'My Voice' aims at providing executives with a simple, easy-to-use platform to post inquiries and grievances and provide suggestions and feedback.

My Voice acts as an empowerment tool for executives as queries also reach the Head of Human Capital Management. HCM team analyzes queries received to identify the concern areas. Analysis Reports are shared with Head - Human Capital Management and corrective actions are undertaken. No cases of discrimination were reported by employees during the year.

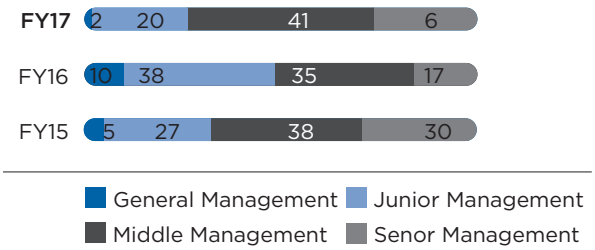
Most queries were raised on Compensation & Benefits related matters (about 48%), which may be further elaborated as queries on PMS, Group Insurance/ Mediclaim, Reimbursements and Salary & Tax.

My Voice is aimed at providing direct access to Bank's HCM team. The charts below depict the extensive use of the tool across all regions.

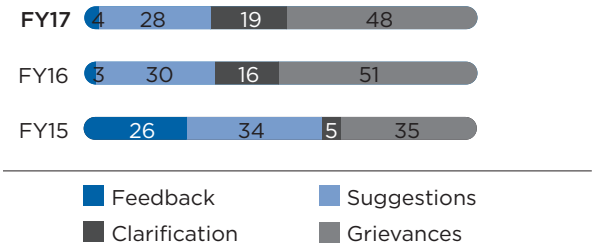
MY VOICE DISTRIBUTION BRANCH - REGION WISE (%)



MY VOICE DISTRIBUTION BY MANAGEMENT (%)



MY VOICE ANALYSIS TYPE (%)



LEARNING & DEVELOPMENT

YES SCHOOL OF BANKING

Since inception, YES BANK has emphasized on a knowledge-driven approach with an objective focus on capability development, and being aspired as an 'Employer of Choice' by the brightest and best quality Human Capital.

YES SCHOOL OF BANKING (YSB), institutionalized in 2007, functions as the center of excellence for learning solutions in banking and related areas, including Behavioral & Leadership skills, Employee Induction (includes Know Your Customer and Anti Money Laundering), Mandatory Policies and compliance, Process training and Product training.

YES SCHOOL OF BANKING IS THE FIRST AND ONLY LEARNING & DEVELOPMENT FUNCTION IN THE INDIAN BANKING INDUSTRY TO ACHIEVE 'DUAL INTERNATIONAL CERTIFICATION' - ISO 9001:2008 AND ISO 29990:2010

The dual certifications from Bureau Veritas for quality management reflect YSB's robust L&D processes including conceptualization of learning solutions and effective deployment of developmental activities across the organization to meet business requirements while continuously improving employee behavior, systems and service quality. The key parameters taken into consideration were: Customer Focus, Leadership, Involvement of People, Process Approach, Continual Improvement, Fact based Decision making & Creating Value for customers.

HUMAN CAPITAL (CONTD.)

GAMIFICATION FOR HIGHER ENGAGEMENT IN LEARNING

YSB launched an e-learning 'gamification' module imparting training on Grooming, Attitude & Wellness, under the YES Personality Program in September 2016. The Gamification module offers game-based immersive learning experience with a special focus on experiential learning which allows the employees to navigate through five distinct games using avatars and selecting the most appropriate actions, collecting points in return. Through this, the Bank intended to create a subconscious awareness, which results in a change of behavior as the game considers all real life instances and offers choices - both right & wrong and accordingly add or deduct points.

'WHERE EAGLES DARE' BREAKTHROUGH WORKSHOPS

The workshops are designed to specifically enable Leaders for Envisioning Scale at a BU level, Envisioning Scale as Collaborate teams and Success Meet. The breakthrough workshop series was conducted in three phases and was attended by 111 Leaders from Top & Senior Management. As an outcome, various projects have been initiated for Support or Product Units as a result of the discussions that emerged during the workshop.

L.E.A.P (LEADERSHIP EXCELLENCE TO MINIMIZE ATTRITION AND MAXIMIZE PRODUCTIVITY)

The L.E.A.P Program was launched for Senior and Middle Management Executives in January 2017 aimed to enhance the leadership capability and capacity of YES BANK Leaders, minimize attrition, maximize productivity and eliminate gender bias at the workplace.

YES Bank's Senior and Middle Management leaders at the L.E.A.P workshop in Mumbai

MY LEARNINGS@YES

MY Learning@YES, the Bank's online Learning Managment System, supports e-learning as well as classroom training and caters to the need for planning, conducting and recording all key aspects of instructor-led training programs. Additionally, the system has features such as a versatile training calendar, training schedule management, feedback mechanism and management information system.

The Program incorporates the latest management research and involves a highly experiential kind of learning, where participants have the opportunity to engage in role plays, group discussions, partner conversations and case studies.

YESSENTIALS INDUCTION PROGRAM

YESsentials continues to be YSB's high impact induction program that trains new employees on key essential areas that every YES BANKer must be aware of and imbibe. The Induction program is the first critical training for employees on key regulatory and compliance issues including Know Your Customer

YES BANK employees participating in a YESsentials Induction Program in Mumbai

YES BANK employees in a group discussion during a YESsentials Induction Program in Mumbai

(KYC) and Anti-Money Laundering (AML) guidelines, information security, products and processes and Human Capital Management policies and procedures.

During the reporting period, 419 induction programs were conducted for 9,131 executives, and 15,375 executives were inducted through the E-Learning Module.

YES UDAAN

YES BANK has been associated with Project Udaan, an ambitious project undertaken in partnership with India's Ministry of Home Affairs and the National Skill Development Corporation (NSDC), to provide training and employment opportunities to Jammu & Kashmir's youth. The Bank launched the 4th edition of YES UDAAN, offering Certification in Banking Fundamentals program. The program received over 280 applications, out of which 23 youths, 12 male and 11 female candidates, were screened and selected through an online aptitude test, followed by a selection interview.

EMPLOYEE TRAINING PROGRAMS CONDUCTED

% Reduction Y-o-Y	FY 2016-17	FY 2015-16	FY 2014-15
Total training programs conducted (Classroom)	3,640	2,737	1,596
Total executives trained in programs above	16,096	12,263	9,275
Total executive trained (E-Learning)	19,758	N/A	N/A

HUMAN CAPITAL (CONTD.)

EMPLOYEES TRAINED BY GENDER (CLASSROOM)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Male	13,025	9,934	7,648
Female	3,071	2,329	1,627
TOTAL	**16,096**	**12,263**	**9,275**

EMPLOYEES TRAINED BY MANAGEMENT CATEGORY (CLASSROOM)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Top Management	65	139	N.A.
Senior Management	127	465	483
Middle Management	2,062	2,881	2,044
Junior Management	7,517	3,998	2,762
General Management	6,325	4,780	3,986
TOTAL	**16,096**	**12,263**	**9,275**

TRAINING PROGRAMS BY CATEGORY (CLASSROOM)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Behavioral and leadership skills	585	428	338
Employee induction	419	218	140
Mandatory policies and compliance	384	296	158
Process training	404	597	59
Product training	1,848	1,198	901
TOTAL	**3,640**	**2,734**	**1,596**

TRAINING HOURS

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Participant man-hours (Classroom & E-Leaning)	968,401	567,628	247,568
Participant man-hours* per executive	48.12	37.84	22.88

* Participants man-hours includes that of who have since resigned.

TRAINING TARGETS/PLANS FOR NEXT YEAR:

- Mandatory certifications for select roles in Retail, Corporate and Support BU's
- Significantly higher 'Digitized' Content: E-Learning, Gamification, AV and Mobile App based learning/assessments
- Leadership Training Programs for Top, Senior & Middle Management Leaders across BU's
- Deployment of a mix of experiential, social and formal learning techniques
- Focus on Business Priorities i.e. Productivity, Cross Sell, Service Culture, Go Digital

UNIVERSITY & SCHOOL RELATIONSHIP MANAGEMENT (USRM) TRANSFORMATION SERIES

With 30,000 student participants, 4,653 ideas, 700+ educational institutions, 15 finalist teams and 3 National Winners, YES BANK Transformation Series, 2016 in its fifth edition this year, provided a grueling test to India's future business leaders to think beyond the usual.

Launched in 2010, the YES BANK Transformation Series offers students across the world an opportunity to work on real-life industry challenges faced by the financial sector and urges them to push the envelope, in a bid to transform "Innovation to Impact". Over the years, the focus of the series has been on various disruptive concepts such as digital financial inclusion and complete digitalization.

Team North East Royals from IIM-Shillong were named winners of the YES BANK Transformation Series 2016

YES PROFESSIONAL ENTREPRENEURSHIP PROGRAM (Y-PEP)

Y-PEP, the Bank's innovative and institutionalized Talent Acquisition program, continues to strengthen YES BANK's position as an 'Employer of Choice' across premium B-School campuses, and create a strong talent pool to drive the Bank's future growth. During FY 2016-17, the Bank inducted 107 Y-PEP candidates into the Y-PEP program. This highly qualified talent pool has contributed to consistently augment and support the Bank's knowledge based, state-of-the-art technology driven services across key banking relationships, products, knowledge advisory groups, and critical support functions.

In a first-of-its-kind initiative, YES BANK introduced a game-based evaluation round, in addition to group discussions and interviews during the hiring process of Y-PEPs to assess the core competencies of the applicants.

This highly interactive gamification app helped evaluate the following competencies of candidates that are specially customized in line with the bank's core ethics - Customer Focus, Influence and Impact, Quality Focus, Professional Entrepreneurship, Drive for Results, YES Personality. Over 3,000 data points are captured in a 25-minute session which is 150 times more than a traditional assessment.

YES ASPIRE TO INNOVATE

'YES ASPIRE to INNOVATE' is YES BANK's scholarship program conceived to provide a grooming platform for outstanding young leaders, who would lead India into its next wave of socio-economic growth. The program offers individual scholarships of ₹ 2 lakhs each to 30 YES ASPIRE Scholars chosen from India's 15 premier B-Schools. The scholars also have an opportunity to interact with entrepreneurs, industry and thought leaders.

HUMAN CAPITAL (CONTD.)

WOMEN-CENTRIC INITIATIVES

In view of the rise in societal awareness and action towards women's safety in India, YES BANK organizes awareness and training workshops for its female executives on basic preparedness and response measures, which are designed to sensitize, empower and support them in untoward situations. These guidelines were aimed at increasing safety awareness, and providing practical tips and tools that would help female executives avoid potentially hostile situations in the most practical manner. Another key initiative that was implemented was the 24X7 Helpline Number for SOS situations for all YBL executives. A List of Next of Kin, along with phone numbers is made available with the 24X7 call center, to inform them should any such necessity arise.

HUMAN CAPITAL DATA POINTS

A. EMPLOYEE STRENGTH

Particulars	FY 2016-17						
	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**

Particulars	FY 2015-16						
	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	119	9	15	3	146
Senior Management	0	0	502	58	3	0	563
Middle Management	249	75	2,669	383	3	2	3,381
Junior Management	1,577	515	2,357	406	0	0	4,855
General Management	3,503	1,140	1,212	200	0	0	6,055
TOTAL	**5,329**	**1,730**	**6,859**	**1,056**	**21**	**5**	**15,000**

Particulars	FY 2014-15						
	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	89	4	8	2	103
Senior Management	0	0	397	44	1	0	442
Middle Management	225	48	1,847	261	3	2	2,386
Junior Management	1,010	351	1,619	268	0	0	3,248
General Management	2,587	780	1,089	175	0	0	4,631
TOTAL	**3,822**	**1,179**	**5,041**	**752**	**12**	**4**	**10,810**

B. TOTAL ATTRITION DURING THE YEAR

Particulars	FY 2016-17						
	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%**	

Particulars	FY 2015-16						
	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	5	0	0	0	3.42%
Senior Management	0	0	44	4	0	0	8.53%
Middle Management	59	7	399	62	0	0	15.59%
Junior Management	382	136	478	83	0	0	22.22%
General Management	1,261	399	355	58	0	0	34.24%
TOTAL	**1,702**	**542**	**1,281**	**207**	**0**	**0**	**24.88%**
ATTRITION RATES	**31.94%**	**31.33%**	**18.68%**	**19.60%**	**0.00%**	**0.00%**	

Particulars	FY 2014-15						
	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	3	0	0	0	2.91%
Senior Management	0	0	18	8	0	0	5.88%
Middle Management	59	10	272	38	0	0	15.88%
Junior Management	232	84	285	56	0	0	20.23%
General Management	859	228	302	34	0	0	30.73%
TOTAL	**1,150**	**322**	**880**	**136**	**0**	**0**	**23.02%**
ATTRITION RATES	**30.09%**	**27.31%**	**17.46%**	**18.09%**	**0.00%**	**0.00%**	

The entire sales and operations force of YES BANK is on payroll. Some industry participants have separate entities that employ the direct sales force.

HUMAN CAPITAL (CONTD.)

C. TOTAL HIRES DURING THE YEAR

Particulars	FY 2016-17						
	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%**	

Particulars	FY 2015–16						
	Under 30		30-50		Above 50		Hire Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	15	0	1	0	10.96%
Senior Management	0	0	95	12	1	0	19.18%
Middle Management	165	41	953	132	0	0	38.18%
Junior Management	1,314	353	866	132	0	0	54.89%
General Management	2,779	886	319	57	0	0	66.74%
TOTAL	**4,258**	**1,280**	**2,248**	**333**	**2**	**0**	**54.14%**
HIRE RATES	**79.90%**	**73.99%**	**32.77%**	**31.53%**	**9.52%**	**0.00%**	

Particulars	FY 2014-15						
	Under 30		30-50		Above 50		Hire Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	6	1	0	0	6.80%
Senior Management	0	0	33	2	0	0	7.92%
Middle Management	115	26	484	72	0	0	29.21%
Junior Management	680	230	461	78	0	0	44.61%
General Management	1,959	543	305	35	0	0	61.37%
TOTAL	**2,754**	**799**	**1,289**	**188**	**0**	**0**	**46.53%**
HIRE RATES	**72.06%**	**67.77%**	**25.57%**	**25.00%**	**0.00%**	**0.00%**	

Employee Profile analysis is based on the database maintained by the Bank's HCM unit, which may differ from the Bank's total headcount on a particular date. HCM data does not include employees of YES FOUNDATION and YES Securities Limited.

MANUFACTURED CAPITAL

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

1,000	1,785	RELEASED
BRANCHES	ATMS	SUPPLIER CODE OF CONDUCT

Through its pan-India network of branches, ATMs, regional offices and customer touch points based by a robust 'digical' infrastructure, YES BANK is in a position to provide a comprehensive range of banking products and services to its entire spectrum of customers. Manufactured Capital thus, becomes a critical enabler for the Bank.

GEOGRAPHIC FOOTPRINT

YES BANK is headquartered in the Lower Parel Innovation District (LPID) of Mumbai, and provides a seamless banking experience at its 1,000 branches and 1,785 ATMs across 29 States and 7 Union Territories of India, through its leveraged quality, state-of-the-art branch infrastructure, cutting-edge technology and a customer-centric approach.

For details on the Bank's digital banking services and performance, please refer to the Financial Capital section of this Report.

The Bank's focus is not merely on facilitating transactions, but also in engaging, informing and involving customers and the society in a personalized manner. For details, please refer to the Social & Relationship Capital section in this Report.

NATIONAL OPERATING CENTERS

The Bank continues to have centralized back office functions for various business lines served from National Operating Centers (NOC) in Mumbai and Gurgaon, including 'Yes Touch Contact Center' located in NOC Gurgaon. The YES Touch Contact Center is an extension of branches to serve customers, with a focus to engage and involve customers by delivering banking services on phone. The Bank has also its single largest National Centralized Operations Management and Services Delivery facility in Chennai.

GREEN BUILDING CERTIFICATIONS

With a belief that even workspaces can be green and high-performing, from a sustainability point of view, YES BANK is considering 'Green Building' certification for YES BANK Tower, the Bank's corporate headquarters. A training was organized in consultation with Godrej Green Building Consultancy

Green Building Training being conducted at the YES School of Banking, Mumbai

MANUFACTURED CAPITAL (CONTD.)

YES BANK Corporate Headquarters in Mumbai

Services, to familiarize the Responsible Banking and the Infrastructure & Network Management (INM) team with the concept of green building, the rating and certification process, besides detailed understanding of the sustainability aspects embedded in a project design including sustainable sites, water efficiency, energy efficiency, material & resources, and indoor air quality.

YES BANK'S SUPPLY CHAIN

The Bank's procurement practices are centrally driven by the Central Procurement Unit and overseen by its Central Procurement Committee. In the reporting period, the Bank continued with its efforts in strengthening its Supply chain based on the following principles:

- Risk Management
- Effective Cost Management
- Strengthening systems, controls and processes
- Responsible 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. These partnerships not only widen business platforms but also lay the foundation for a sustainable future.

Complete list of YES BANK's strategic relationships is accessible https://www.yesbank.in/about-us/corporate-partnership.

The Bank with the focus on ensuring proactive management of strategic supplier partners, and adequate risk management, has been strengthening its Vendor Management framework. The Bank also continues its endeavor to improvise and continually adopt global best practices. The Bank continues to follow the mechanism of segregating its vendors into four categories - Strategic, Critical, Core and Basic, and based on categorization, vendor review and risk management practices are implemented. It has also put in place processes to ensure Vendor redundancy/Business Continuity Planning (BCP) for critical spends.

The Bank also has well-established vendor guidelines outlining the vendor selection criteria, compliance with laws of the land, in addition to assessing 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.

The Bank has also undertaken several other key initiatives in order to strengthen the vendor management process implemented. These include:

- Process standardization for claiming Central Value Added

- Tax benefit
- Multiple year contracts, depending on the category of the spends
- Initiated strategic contracts with key vendors with standard terms for year round purchases for complex items

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 four major dimensions — human rights, labor, environment and anti-corruption, and uses them as the foundation for building its sustainable supply chain practices.

The Bank believes that its suppliers are an integral part of its ecosystem and strives to connect its strengths with its supply chain partners' competencies to make optimum use of the opportunities for sustainable development. In line with its belief, and as a part of the ESG operationalization plan, the Bank released a Supplier Code of Conduct based on Environmental, Social and Governance (ESG) parameters, which defines the Bank's commitment to human rights, fair labour practices, environmental progress and anti-corruption policies.

Through this initiative, the Bank is encouraging 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.

To create awareness and to engage with the strategic suppliers, a 'Sustainable Procurement Workshop' was conducted at the Bank's corporate office in Mumbai, which witnessed participation from senior executives of 20 of its strategic suppliers. The Bank also introduced an ESG self-assessment tool for suppliers, to understand their current practices and identify areas for improvement.

TECHNOLOGY & WORKPLACE MOBILITY

YES BANK has invested in and implemented state-of-the-art technology initiatives since its inception, and has successfully implemented them. The Bank's philosophy is to engage with key partner companies who are acknowledged leaders in their products or businesses to develop specific solutions for YES BANK that become differentiators in the marketplace.

Optimizing IT asset use in service organizations is emerging as a global best practice to reduce generation of E-waste and lower operational costs. As on March 31, 2017, the Bank had an IT asset to employee ratio of 1.34. In FY 2016-17, the Bank has responsibly disposed 8,985 kgs of E-waste through authorized empanelled recyclers.

As reported last year, the Bank had adopted Citrix Workplace Cloud and Netscaler ADC solutions to empower workforce mobility and ensure faster rollout of new branches. The Bank has facilitated a unified approach to creating, publishing and delivering complete workspaces through Citrix Workspace Cloud solution. As a result of these initiatives, employees continue to have secure access to apps, desktops, data and services from any device over any network, to empower mobile employees with the freedom and flexibility to choose how they work.

ANNUAL BUSINESS RESPONSIBILITY REPORT (ABBR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L65190 MH 2003 PLC 143249
2.	Name of the Company:	YES BANK Limited
3.	Registered address:	Nehru Centre, 9th Floor, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018, India
4.	Website:	www.yesbank.in
5.	E-mail ID:	yestouch@yesbank.in
6.	Financial Year reported:	FY2016-17
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)	One – The Bank has a representative office in Abu Dhabi, UAE.
	b. Number of National Locations	The Bank has 1,000 branches, two National Operating Centers in Mumbai and New Delhi, one National Centralized Operations Management and Services Delivery facility in Chennai and 1,785 ATMs, as on March 31, 2017.
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 this region.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (INR):	456.48 Crores
2.	Total Turnover (INR):	20,851.40 Crores
3.	Total profit after taxes (INR):	3,330.1 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	1.25
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 – Skill Building & Entrepreneurship v. Support to YES FOUNDATION vi. Environmental Conservation

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	YES (one subsidiary)
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):	All BR activities of YES BANK's one subsidiary company 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:	00320702
	2. Name:	Mr. Rana Kapoor
	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

ANNUAL BUSINESS RESPONSIBILITY REPORT (ABBR) (CONTD.)

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]

1. The Code of Ethics for employees and the top management is confidential and accessible only to employees. 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 Policy is confidential and is not in the public domain. 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 has 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. The Bank's knowledge banking focus is driven under the umbrella of YES Global Institute, the practicing think tank at the Bank. Its details can be accessed at https://www.yesbank.in/research-and-initiatives/ yes-institute. 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)									

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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 five 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 2015-16 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/NO. 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. During the Reporting period, the Bank released 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 numbers 297 for Customer Complaints, page numbers 220 for Shareholder Complaints in this Annual Report.

   For Employee complaints, please refer to page 68 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, SimsePay, YES PAY

   ii. Inclusive and Social Banking –YES LEAP/ YES SAHAJ/ YES Kisan Dairy Plus/ YES Joint Liability Group

   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 has become the first bank in the world to migrate to the new ISO 14001:2015 Environment Management System, which now covers 444 bank branches and 3 office locations, and has launched a revised Environmental Management Policy, wherein it has, significantly, doubled its Carbon emissions intensity target to 10% year-on-year. During the year, the Bank also launched a Supplier Code of Conduct based on environmental, social and governance parameters.

The key initiatives focusing on achieving resource consumption efficiency at the Bank, and the impact achieved, are included in the Sustainability Disclosures 2016-17 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 444 branch locations and 3 offices were certified as ISO 14001:2015 in 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 Swachh Bharat Abhiyan, 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.

ANNUAL BUSINESS RESPONSIBILITY REPORT (ABBR) (CONTD.)

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. 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 20,125 employees as on March 31, 2017.

2. PLEASE INDICATE THE TOTAL NUMBER OF EMPLOYEES HIRED ON TEMPORARY/ CONTRACTUAL/CASUAL BASIS.
All employees at the Bank are hired on a permanent basis.

3. PLEASE INDICATE THE NUMBER OF PERMANENT WOMEN EMPLOYEES.
The Bank had 3,704 permanent women employees on March 31, 2017.

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	3
3.	Discriminatory employment	Nil	Nil

8. WHAT PERCENTAGE OF YOUR UNDER MENTIONED EMPLOYEES WERE GIVEN SAFETY & SKILL UPGRADATION 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, 16,096 employees were trained under 3,640 classroom-based training programs.

II. PERMANENT WOMEN EMPLOYEES

3,071 women employees were imparted classroom-based training during the year, which is over 82.9% of the Bank's total women employees.

III. CASUAL/ TEMPORARY/ CONTRACTUAL EMPLOYEES

Not applicable as the Bank only hires employees on a permanent basis. However, the Bank works with its vendors providing staffing services to ensure adequate training is provided to the staff on the Bank's policies and processes.

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/No

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

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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 whistle blower 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.

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.

   During the year, the Bank released the 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.? Y/N. 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, the World Business Council for Sustainable Development, the World Resources Institute India GHG Program, and TERI Council for Business Sustainability, 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 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.

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? Y/N

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 444 branches and 3 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. 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 CDM.

5. HAS THE COMPANY UNDERTAKEN ANY OTHER INITIATIVES ON – CLEAN TECHNOLOGY, ENERGY EFFICIENCY, RENEWABLE ENERGY, ETC. Y/N. 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.

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.

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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

2. **HAVE YOU ADVOCATED/LOBBIED THROUGH ABOVE ASSOCIATIONS FOR THE ADVANCEMENT OR IMPROVEMENT OF PUBLIC GOOD? YES/NO; 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.

   In addition, Board Members and top management at the Bank, including its Managing Director & CEO, are members of various committees, industry and trade associations that include public policy as a stated goal.

PRINCIPLE 8

1. **DOES THE COMPANY HAVE SPECIFIED PROGRAMMES/ 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 2016-17, YES BANK spent ₹ 41.66 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 page 156 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 297 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.

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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 BEHAVIOUR DURING THE LAST FIVE YEARS AND PENDING AS ON END OF FINANCIAL YEAR. IF SO, PROVIDE DETAILS THEREOF, IN ABOUT 50 WORDS OR SO.

Please refer to page 277 of this Annual Report for Section 18.6.2 - Disclosure of Penalties imposed by RBI.

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

MACRO-ECONOMIC AND INDUSTRY OVERVIEW

For major part of calendar year 2016, the global economic scenario was characterized by subdued cross border trade, weak investment activity, sluggish productivity growth, and heightened political and policy uncertainty. As per the International Monetary Fund (January 2017), World GDP growth moderated to 3.1% in 2016 from 3.3% in 2015.

Global commodity prices strengthened during the course of 2016 amidst expectation of strong infrastructure investment in China, fiscal easing in the US, and agreement by major oil producers to trim supply. Price of crude oil (Brent), industrial metals, gold, and agricultural commodities rose by approximately 55%, 20%, 9% and 7% respectively in 2016.

Meanwhile, growth in global trade volume continued to remain subdued with estimated growth of 2.2% in 2016 (by IMF) vis-a-vis 2.7% in 2015. The ongoing slowdown and rebalancing in China (with more than 10% share in global trade), declining investments by commodity exporters like Brazil, Russia, etc., and significant exchange rate depreciation in many EMs resulted in weakening of global trade activity.

Nevertheless, the increase in global commodity prices towards the end of 2016 after the slump in 2015 resulted in an end to deflationary conditions worldwide. Even as core inflation rates have remained broadly stable, headline inflation rates have recovered globally. This resulted in an increase in interest rates in most of the advanced economies with US Federal Reserve backed by improved growth prospects, raising its monetary policy rate by 50 bps during December 2016 and March 2017.

In line with the mild deceleration in global economic activity, the Indian economy during the course of 2016-17, is projected by the Central Statistical Organization to see a moderation in GDP growth to 7.1% vis-a-vis 7.9% in FY 2015-16. The withdrawal of legal tender character of specified bank notes (SBNs) by the Reserve Bank of India in November 2016 provided a transient loss in growth momentum for few high cash dependent sectors. While private consumption growth is expected to maintain its above 7% growth rate in FY 2016-17 along with export performance turning positive, gross fixed capital formation is projected to witness a marked slowdown. On the sectoral front, while manufacturing and trade, financial, and real estate services is projected to see a deceleration in growth momentum in FY 2016-17 an upturn in agriculture and allied sector along with public services is expected to provide an offsetting impact. Over the medium term, the positive impact of demonetization is likely to emerge strongly with a behavioural shift in conducting economic transactions via formal financial channels. This could boost economic efficiency and boost the propensity for financial savings.

Meanwhile, domestic retail inflation continued to moderate despite an increase in global commodity prices. Average CPI inflation in FY 2016-17 decelerated to 4.5% from 4.9% in FY 2015-16. A favourable monsoon out-turn after two consecutive years of deficiency helped to lower food inflation, which also benefitted from continued rationalization in Minimum Support Prices (MSPs) announced by the government and timely offloading of surplus food stocks. The central bank's anti-inflationary stance and quality fiscal consolidation over the last 2-3 years has resulted in a successful gradual disinflation for the Indian economy.

Even as retail inflation declined, wholesale rate of inflation, as measured by the WPI, increased to 3.7% in FY 2016-17 from -2.5% in FY 2015-16. The increase in WPI inflation was predominantly driven by the rise in global commodity prices, especially crude oil, whose average price rose by 6.1% during FY 2016-17 Despite the increase, WPI inflation remained comfortably lower than its long term average of around 5.5%.

India's external position strengthened further in FY 2016-17 For the first three quarters (Apr-Dec), the current account moderated to 0.7% of GDP in FY 2016-17 from 1.4% in the corresponding period in FY 2015-16 Foreign exchange reserves of USD 370 billions (as of March 31, 2017) and robust net FDI inflows (USD 35.2 billions between Apr-Feb FY 2016-17) were noteworthy

developments against the background of global uncertainties.

On the fiscal front, the government stuck to its FY 2016-17 fiscal deficit target of 3.5% of GDP accompanied by moderate improvement in quality of adjustment. While the capital expenditure is slated for a 10.6% growth in FY 2016-17 the subsidy bill is expected to contract by 1.4%.

On the monetary policy front, the RBI reduced the repo rate by a cumulative of 50 bps to 6.25% during the course of FY 2016-17. Highlighting its confidence on revival in economic growth, the central bank in Feb-17 policy review shifted its monetary policy stance to neutral from accommodative earlier. This shift in monetary policy stance is expected to help achieve the medium term inflation target of 4%.

From an average deficit of ₹ 1,889 billions in March 2016, money market liquidity improved towards ₹ 95 billions in October 2016 largely on the back of front loading of government expenditure, seasonal behavior of currency in circulation, and dollar purchases by the RBI. Thereafter, liquidity surplus spiked significantly to a record high level of ₹ 4,524 billions – average for the month of March 2017. Although the second half of the fiscal year generally witnesses contraction in liquidity conditions, the surge in liquidity surplus since November 2016 happened on the back of the jump in bank deposits post the withdrawal of legal tender character of SBNs by the RBI, even as growth in bank credit weakened amidst deceleration in overall economic activity.

Despite volatility in global financial markets and limited amount of monetary policy easing by the RBI in FY 2016-17 vis-a-vis FY 2015-16 the 10-year g-sec yield fell by 79 bps to 6.68% as of end March 2017. Continued gradual disinflation, quality fiscal consolidation, surge in money market liquidity surplus post withdrawal of legal tender character of SBNs by the RBI in November 2016, and stability in rupee vis-a-vis other currencies in emerging markets were important enablers for the decline in g-sec yields during FY 2016-17.

Over the course of FY 2016-17 the Indian rupee traded in a band of 64.85-68.77 vis-a-vis the US dollar. Rupee largely traded with a moderate weakening bias during the months of Apr-Dec 2016 with factors like increase in global commodity prices, global uncertainty post UK's political decision to exit Eurozone, and likelihood of faster pace of increase in US interest rates weighing on sentiment in the global foreign exchange markets. However, the Indian rupee appreciated by 4.45% during Jan-Mar 2017, supported by a weaker dollar, and improved prospects for domestic reforms after the strong out-turn in the state assembly elections conducted in Feb-Mar 2017.

BUSINESS SEGMENT OVERVIEW

CORPORATE BANKING

Your Bank's Corporate Banking (CB) group provided comprehensive financial and risk management solutions to large corporate clients with a turnover greater than ₹ 1,500 crores. Your Bank's professional relationship experts forged value-based long-term relationships with the top management and promoters of almost all large corporate houses in India.

Your Bank's CB group offered comprehensive client focused Services comprising Working Capital Finance, Term Loans, Specialized Corporate Finance Products, Trade & Transaction Banking Products, Cash Management Services, Debt Capital Markets, Treasury Services, Investment Banking Solutions and Liquidity Management Solutions, among others. Your 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.

Your 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 like life sciences and healthcare, information technology, food and agribusiness, manufacturing, infrastructure, media and entertainment, hospitality and education, among others.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Your Bank remained committed to continuous improvement in terms of service, risk management and product portfolio through original research, benchmarking and client orientation.

EMERGING CORPORATES BANKING

The economic evolution of a dynamic economy is characterized by the transformation of its mid-sized companies to large global businesses. The Indian economy is at an inflection point with new tail-winds for sustained, substantial growth. The mid size businesses, backed by strong entrepreneurial ambition, form the backbone of the economy and are in the best position to capitalize on this growth potential. Your bank strives to be the catalyst in bringing about this growth.

Emerging Corporates Banking group, setup by your bank in FY 2015-16, focuses on these corporates with turnover between ₹ 500 crores and ₹ 1,500 crores. It plays a crucial role by developing a thorough understanding of companies' banking needs and delivering customized solutions including trade, forex and advisory services, besides efficient cash management & digital banking products. The group continues its knowledge-banking approach to cater to requirements of growth sectors including Auto Components, Food and Agri-processing, Media & Entertainment, Pharmaceuticals, Gems & Jewellery.

Recognizing the growth and the need for increased local presence, the group has enhanced its footprint by rolling out 7 new locations and is now present in 15 locations across India. The emerging needs of this diverse segment present a significant opportunity for your Bank, and the group is well poised to capture the same through innovation and differentiation.

COMMERCIAL BUSINESS BANKING

With recent policy reforms and regulatory changes, India is witnessing a rapid economic transformation fuelled by various government initiatives and skilled manpower. Correspondingly, this has led to the growth of mid-sized corporates across various manufacturing and service industries. This has also reflected in the growth of your Bank's Commercial Business Banking group, focussed on servicing corporate clients with a turnover in the range of ₹ 100-500 crores.

Considering the high-growth nature and continuous expansion of your Bank's clients, the Commercial Business Banking group adopted a 'Lifecycle Banking' philosophy to fulfil the banking needs of the clients across the growth cycle. The impetus continued to be on servicing the clients through a 'Money Doctor' approach, balancing the client expectations and the Bank's risk strategies.

Your Bank's unique positioning provides an opportunity to offer the entire product suite with customized solutions. Your Bank helped forge a number of success stories across industries, such as life sciences, healthcare, food & agribusiness, auto ancillaries and e-commerce. With regional presence in more than 30 locations across India, Commercial Business Banking division caters to the financing needs of the clients with quick and efficient service.

Further, the Commercial Business Banking group addresses the banking requirements for linked and ancillary businesses of the clients, ensuring continuous deepening and retention of client relationships. The division concentrated on granularity and achieving capital efficiency by focusing on referral-led business origination and cross-sell.

GOVERNMENT BANKING

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

Over the years, your 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. Your Bank remained 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 over 850 entities across India. The GB group

remained committed to the core values of client origination, innovation and superior service and has over 125 experienced and seasoned Bankers in 56 locations across the country.

Your bank displayed strong commitment towards catalyzing sustainable growth in the country by partnering with Central Government in their flagship initiatives during the year like Maritime India Summit 2016 and India Aviation 2016 amongst others. Your Bank was also part of the Make In India event which is the driving force for India's new manufacturing revolution.

Your Bank made concerted efforts to support educational, religious and sporting institutions across India through unique transaction banking offerings aimed at streamlining the working capital management of these apex and nationally important institutions. Your Bank made inroads into the welfare trusts management of leading Central and State Public Sector Undertakings through its differentiated and competitive SA offering, complementing your Bank's efforts to build a sustainable CASA book.

INDIAN FINANCIAL INSTITUTIONS BANKING

Your Bank's Indian Financial Institutions Banking (IFIB) group interfaces with domestic financial institutions. The team primarily engages in offering banking solutions to domestic banks, non-banking finance companies, housing finance companies, insurance brokers and companies, small finance banks, payment banks, mutual funds, financial institutions, cooperative banks, regional rural banks and capital market participants (stock exchanges, stock brokers, commodity brokers and exchanges, foreign portfolio investors), primary dealers, depositories, AD II licence holders and payment aggregators. Your Bank customizes specific solutions for domestic financial institutions that enhances transactional efficiencies leading to enduring relationships.

As a strategy to offer greater benefits to the customers through reduced cost of funds, your Bank actively engages with institutions like SIDBI, NABARD, EXIM Bank and NHB to avail refinance, and with overseas branches of domestic banks to avail foreign currency long-term borrowings. The group also undertakes Primary Dealership sales function by distribution of Government Bonds across various institutional and retail segment investors.

Some of the standout deals that the group executed in FY 2016-17 were:

- Acted as a BRLM for 3 major public NCD issues during the year.
- Acted as a left lead for a ₹ 14 billions Masala bond issue.
- Your Bank was the sole investor in maiden AT1 issuances of State Bank of India and EXIM Bank.

In addition to the above, the group implemented various digital offerings using the bank's pioneering technological platform such as:

- Launch of "SIMsePAY", a mobile payment solution with 10 state and district cooperative bank which enables secure mobile payments without the internet and allows P2P, P2A, bill payments, DTH and mobile recharges through feature phones also. The Bank has signed up agreement with over 35 cooperative banks to offer mobile payment services to their customers.
- Interface with PFMS system of Department of Expenditure to transfer and settle Government subsidy and grants to customers of rural cooperative banks and primary agriculture society. Your Bank is the only bank under such an arrangement.
- Application Programming Interface (API) Banking to offer real time/instant banking facility to NBFCs, Brokers, Cooperative Banks and other Financial Institutions, which is emerging as a key product to integrate and streamline the transaction processing cycle.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- Nodal Bank offering for payment aggregators, Escrow arrangement for e-wallet players, and AD-II related transactions for money changers and foreign-exchange related players.

- Bunch Note Acceptor (BNA) offering to large financial institutions to transform the cash transaction process with real-time credit, timely reporting and reconciliation, and detection of fake currency, which was widely acknowledged by Cooperative Banks, NBFCs among others

- Correspondent Banking with over 350 Cooperative Banks and Regional Rural Banks by offering of sub-membership of RTGS and NEFT services, automated solutions for cheque clearing under CTS, sponsorship of ATM transactions, enabling merchant acquiring through deployment of POS terminals, collection of subsidy and grants under DBTL scheme, and integrated investment solutions viz. CSGL account services to benefit them and their customers

- Sponsor Bank for LIC to process NACH mandates along with migration of ECS mandates to NACH platform for select zones with monthly volumes of over 1 million transactions

- Instant Redemption Offering for Mutual Funds, where the investor can redeem the value of his investment instantly 24*7

INTERNATIONAL BANKING

YES - International Banking has a widespread partner network of international banks, financial institutions, exchange houses and official bodies. Your Bank executed marquee transactions across products and geographies through its global banking partner network.

YES - International Banking offers a complete suite of products viz. Trade Finance, Treasury Services, Investment Banking Solutions, Remittance Solutions, Financial Advisory and Global Indian Banking to customers and has consistently delivered first to market and unique product offerings leveraging on its global alliances. Your Bank is counted among the preferred partners by international institutions to meet their clients' banking requirements in India. International Banking, in coordination with MNC Corporate Banking, helped position your Bank as the preferred 'Host Country Bank' by leveraging its rich relationship capital.

YES-International Banking continues to raise large-ticket offshore borrowings for your Bank. Your bank raised USD 130 millions long tenor loan from Taiwanese banks in a marquee syndication deal. FMO – Dutch development financial institution – invested USD 50 millions (₹ 330 crores) in your Bank's Green Infrastructure Bonds in its first investment in a Bank in India. YES – International Banking's strong and well established relationships with DFIs are borne out by the fact that DEG – Germany's development financial institution – has made its third loan to your bank for supporting small business growth in India. YES – International Banking has leveraged its global banking partnerships to support your Bank's increasing FCY lending requirements through a diverse mix of borrowing avenues aggregating to over USD 1 Billion during the year.

YES - International Banking focused on emerging as a preferred host country banker and payments bank to global counterparts. As a result, more institutions utilized your Bank's network for their India-linked businesses. YES – International Banking has well established relationships with exchange houses across key geographies host to Indian diaspora viz. USA, UK, Europe, APAC and GCC and through these originates a significant portion of NRI remittances into India.

INTERNATIONAL FOOTPRINT

Your Bank established its international footprint by inaugurating its first international office in the form of a Representative Office at Abu Dhabi, UAE in April 2015. The Representative Office has provided great convenience to NRI customers by facilitating a host of Banking, Financial and Investment consultation services of your bank in UAE and has played an important role in promoting your Bank services to the larger NRI Diaspora in the country. Additionally, it has provided a significant Brand Value and visibility of your bank in UAE. Your Bank continues to explore expanding its

overseas presence with a view to promote your Bank services to the NRI Diaspora.

As reported last year, Your Bank was the First Bank in India to commence the operations at International Financial Services Centre (IFSC) at GIFT City, Gujarat. A banking unit at GIFT IFSC (IBU) is equivalent to a Foreign Branch and is a significant development in overall augmentation of Your Bank's business model whereby Bank, during the year, provided comprehensive solutions for its client's foreign currency banking requirements in the areas of Cross Border Trade offerings, External Commercial Borrowings, Foreign Currency Loans/Syndications, Arrangement/ Underwriting of Masala Bonds issuance by Indian Corporates among others. During the year, your Bank raised Foreign Currency resources from Marquee Foreign Financial/Multi Lateral Institutions and Your Bank is pleased to report that business momentum at IBU has been building up well with its Balance Sheet already crossing USD 1 billion business transaction mark. Your Bank's IBU continue to be a Flag Bearer at GIFT IFSC and in terms of business volumes, it is leading the pack amongst 7 operational IBUs.

BRANCH BANKING

In FY 2016-17 YES BANK's geographical footprint expanded to 1000 branches spread across more than 700 locations with over 1,800+ ATMs and BNAs. Your Bank has institutionalized a strategic framework to increase penetration in all States Capitals, Top 200 Deposit Centers covering all state capitals, having substantial presence in the Delhi Mumbai Industrial Corridor, Special Economic Zones, Economic Promotion Zones, Food Parks, Agri-Parks, Ports etc. with a well-balanced parallel focus on financially-efficient inclusive Banking.

This financial year saw a host of internal and external developments in the Branch-Banking segment. Your Bank amped up considerable focus towards the branch presence in rural, agri and MSME geographies by putting in focused leadership, with the local knowhow, and products targeted at these specific segments. The Bank also launched the 1st in the industry 'Make Your Own' Current and Savings account, wherein a customer can choose to select his/ her own customized service and price plan. In other words a customer can choose a base-pack and a 'top-up' with other services.

As you are aware, on November 08 2016, the GOI launched the 'Demonetization Drive' to curtail the shadow economy and crack down on the use of illicit and counterfeit currency. Your Bank saw a record amount of customer footfall across branches for a prolonged duration due to currency exchange and its employees were fully committed to satisfactorily service the customer requirements with a twin pronged focus on compassion as well as compliance. Further, your Bank continued to enrich and enhance its highly-targeted product portfolio, specialized relationship management architecture, and superior customer service framework.

ATMS / RECYCLERS

Your Bank has 1,282 ATMs and 503 Bunch Note Acceptors/ Recyclers (BNA) as of March 31, 2017. Bunch Note Acceptors have been appreciated by many Corporate Clients as they offer multiple advantages while fulfilling Corporate cash collection needs. Your 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. YES BANK ATMs offer a wide array of services starting from Cash withdrawals to Mobile Recharge Payments and YES BANK Credit Card Bill Payments.

CURRENCY CHEST

Your Bank is expanding its network of Currency Chests (and Small Coin Depots) and now has two Currency Chests operational in Delhi and Mumbai, with a few more to on the anvil. Establishing Currency Chests reflects your Bank's support to Reserve Bank of India's endeavor to increase the efficiency of currency management in the Banking system. During the Demonetization period, these currency chests ensured supply and distribution of good quantity of currency across YES BANK branches & ATMs, thereby ensuring the quality of Bank notes in circulation through continuous supply of clean notes and timely withdrawal of soiled notes.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

DIGITAL BANKING

Your Bank has continued investing significantly in new-age mediums and digital technologies to achieve a heightened customer engagement and experience. Your Bank has deep-dived into revolutionizing payments ecosphere through multiple digital initiatives.

Your Bank is the first Bank to create UPI compliant mobile apps for large E-Commerce players clocking over 20 millions downloads on its UPI partnered Apps. Your Bank has disrupted the feature phone market with the launch of SIMsePAY which aims at providing Mobile Banking facilities on feature phone to over 6 lac customers through tie-up with 35 Co-operative Banks.

Your Bank has pioneered the implementation of 'Bots' technology for Customer Acquisition, Personal Banking Assistant, Cross Sell and Customer Servicing for various businesses. Further, in line with the RBI directive on using Aadhaar-based Biometric authentication for Card Present transactions, your Bank has partnered with industry pioneers to launch IRIS and EMV ready payment solution. With a view to enhance customer delight your Bank is ready to implement 'Location based' personalized offer services to its select customers on the back of a robust analytics engine.

Contributing to the Prime Ministers Smart City Mission, your Bank is working with multiple Municipal Corporations by offering them customized smart city solutions for digital payments. Your Bank has launched Nashik City Prepaid Card Program for facilitation of 51 Government-to-Consumer (G2C) services of Nashik Municipal Corporation through existing and newly created Customer Facilitation Centers. Your Bank has also become Digital Banking partner for Puducherry Tourism Development Corporation (PTDC), for issuance of Co-Branded Prepaid Cards for cashless transactions. Your Bank is working closely with the Food and Civil supplies ministry – Govt. of Maharashtra to facilitate their Fair Price Shops with basic setups to enable Banking transactions.

INTERNET PAYMENT GATEWAY AND POS

Your Bank is committed to the 'Digital India' initiative and continues to offer online payment gateway as a convenient mode of payment acceptance. Especially for segments like educational institutions, government institutions, along with other ecommerce merchants. Your Bank has always focused on implementing the latest technology developments and is one-of the first Banks to launch 'Bharat QR', adding to its current product suite of GPRS, PSTN, MPOS, PCPOS and NFC enabled terminals. Your Bank is one of the fastest growing market player in POS Business with its terminal base growing by 1.5X to 46,000 terminals spread across 200 cities covering various sectors and segments.

CONTACT CENTRE

Your Bank has established dedicated 24/7 inbound contact centres for Liability & Asset customers which resolve queries, complaints and service requests. Additionally, to support the servicing requirements for the recently launched Credit Card offerings, a dedicated 24/7 customer service center has been established on May 18, 2016. To further augment our servicing capabilities for addressing a growing customer base & bringing in multi-lingual servicing, a 3rd contact centre has been established at Ambattur, Chennai on December 07, 2016 for complementing our existing capacity in Thane and Gurgaon. While the inbound contact center resolves customer queries, complaints and service requests, the outbound contact center initiates outbound calling for enabling "Service to Sales" to enrich customer relationships. It undertakes Relationship Management for Asset product, Remittance, Current Account, Saving Account (Domestic and Global Indian) customers.

STARTUP PROPOSITION

Your Bank has launched YES: Head-Startup, a comprehensive banking solution for tech and tech-enabled startups. It has a customized program consisting of registration assistance, incubation & accelerator services, investor interface and marketing assistance which Your Bank would offer to the members of the program. Program aims to build relationships with startups at an early stage and offering assistance to help them grow and mature into enterprise-ready companies.

NEW CUSTOMIZABLE SAVINGS ACCOUNT PROPOSITION

Your Bank has launched a Customizable Savings Account proposition that renders the POWER TO CHOOSE with the customer. Breaking the industry norm of offering off-the-shelf Banking products to every customer segment, Your Bank has become the first Indian Bank to introduce the customizable version of the traditional Savings Account. This unique offering enables the customer to create an account that suits his or her lifestyle and Banking preferences, while choosing from a range of products and offerings. Based on extensive market research and customer feedback, Your Bank has launched Savings Account Product Tiers, which offers three variants – Prime, Ascent and Crest. Customers can choose to start at any of the three tiers according to their requirements. The Bank will periodically review the customer's overall relationship and automatically upgrade to a higher tier if applicable.

ALL NEW DEBIT CARD VARIANTS

Your Bank has ramped up its existing portfolio of Debit Cards with the introduction of NFC (Near Field Communication) 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. New Debit Cards offer unique benefits such as Reward Points on all spends, NFC enabled contactless payments, and YES InControl-Card spend management features. The YES Prosperity Debit Card range comprises of YES Prosperity Titanium, Titanium Plus, Platinum and RuPay Platinum Debit Cards, whereas the YES FIRST range includes the YES FIRST WORLD Debit Card. Your Bank will issue these cards to all new customers, and also focus on offering these to its existing Debit Card customers.

INDIAN GOLD COIN

Your Bank has launched Indian Gold Coin (IGC), the first ever national gold coin offering by Government of India, and made available in denominations of 5, 10 & 20 grams. The government has mandated MMTC Ltd., A Government of India Enterprise, to launch and market the IGC. Your Bank has signed an agreement with MMTC Ltd. for distribution of the IGC. Customers can easily invest in these coins using convenient modes of payments. IGC is currently being offered through selected potential branches and soon it is expected to have a wider presence in the market.

E-KYC

As an important step towards its digital transformation journey, Your Bank has launched its E-KYC module with the objective of relieving the customers from the hassles of documentation. Additionally, E-KYC also facilitates the Bank with verifying customer credentials through a reliable digital source. Aadhaar Card holders can give their consent to the Bank to access their data from UIDAI's Central Data Repository. This facility is successfully launched in all Cluster Hub Branches of your Bank.

GLOBAL INDIAN BANKING

Your bank offers best-in-class banking products and services for Indians settled across the globe and strives to continually enhance these offerings for its Global Indian Banking customers. This financial year saw a host of developments across GIB propositions. Your Bank established 'Global Service Desk' – A one stop shop for NRI customers for addressing their non-face-to-face service requests. Your Bank also launched the convenient facility of booking non-resident term-deposits over Phone Banking. Your Bank now provides an option of Fixed Exchange rate for its YES Remit users whereby NRIs can lock in forex rates at the time of initiating a remittance transaction. YES Remit itself was completely overhauled and migrated to a superior platform which provides state-of-the-art user interface and enables access across touchpoints – Desktops/ Laptops/ Tablets/ Smartphones. Your Bank also launched the GIB Corporate Salary Proposition for enhancing tie-ups with corporates which will contribute towards buildup of a granular GIB liability book. NRI Festival FY 2016-17 was also conducted to enhance visibility of YES BANK's NRI Services by engaging with various NRI associations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

YES FIRST

Your Bank offers YES FIRST programme for addressing the unique requirements of the HNI segment. Your Bank has also launched a dedicated channel for catering to Ultra High Net-worth customers for providing them with best in class Banking and Wealth Management solutions. In an endeavor to enhance customer service experience, your Bank also launched a digital initiative, 'Voice of Customer' to obtain feedback on service experience from high net-worth and affluent customers. Your Bank also provides curated and differentiated experience for YES FIRST customers through exclusive benefits and select lifestyle and knowledge based events. 'Budget Decoded' sessions were conducted for customers in over 7 cities which were very well attended and appreciated by YES FIRST clients.

RURAL AND INCLUSIVE BRANCH BANKING

Being cognizant of the high growth potential of the Rural and Semi Urban markets, your Bank has carved out a separate Rural and Inclusive Branch Banking vertical with a dedicated leadership team and customized product propositions. Your Bank now has a well-entrenched presence in the said segment with a network of 350 branches. Your Bank has launched Differentiated product variants for Savings accounts, Current accounts and Term Deposits specially designed for Rural and Semi Urban Markets. Also with the asset products poised to be launched shortly, Your Bank is expected to soon have a wider range of products to be offered to its customers from the rural and semi-urban markets.

GOVERNMENT INITIATIVES

Your Bank has been on the fore-front in the National Mission on Financial Inclusion and truly believes in the power of the Jan Dhan-Aadhaar-Mobile trinity to bring about a revolution in this paramount financial inclusion drive. Your Bank's overall Mobile Seeding in operative savings accounts stands at 97% (98% in case of PMJDY accounts) while the Aadhaar Seeding in PMJDY accounts stands at 67%. These numbers are significantly higher than industry averages for both the drives and amongst the best across Banks.

CREDIT CARDS

Your Bank launched its highly differentiated Credit Cards program, yet another important milestone in its journey. Adding Credit Cards to the product portfolio is a huge leap in the journey of Your Bank as it presents an opportunity to not just offer this new differentiated offering to existing and new customers, but also to integrate it with Your Bank's overall Business, Communication and strategic approach. Designed to offer superior benefits on the back of world-class technology, class leading alliances and partnerships and backed by a consistent and superior service experience, the YES BANK Credit Cards program has been orchestrated to be the card of choice for Your Bank's customers. Your Bank offers a wide range of seven card product variants across its flagship customer segments of YES FIRST and YES PROSPERITY. Such a wide range of portfolio at launch is unprecedented in the Indian Banking industry, and is backed by a highly effective Alliance and Loyalty program, digitized acquisition & servicing platforms and above all very robust and effective Credit-management framework.

RETAIL BANKING ASSETS

In line with the objective of continually strengthening the Retail offerings for customers, your Bank now has a full retail-asset product suite on the shelf. Your Bank's customers can select from a wide range of Retail Loan products like Secured Business Loans, Affordable Home Loans (Yes Khushi), Home Loans, Car Loans, Super Bike Loans, Commercial Vehicle Loans, Construction Equipment Loans, Loans against Securities, Gold Loans, Personal Loan, Health care finance and Printing equipment finance. Your Bank has entered into Preferred Financer agreement with most of the Automobile Manufacturers across Cars, Commercial Vehicles & Construction Equipment. Thus giving us an access to the Wholesale and Retail business of their dealers across the country. To create a mind share for your Bank in the Affordable Housing segment, Yes Khushi (Affordable Home Loan) was successfully launched in month of May-16. Your Bank has designed a 'Hub-Spoke' model for aggressive market penetration which covers 130 key locations across the country with 33 operational Hubs. Your Bank's objective in 2017-18 would be to attain customer service excellence, growth

of distribution channels and creation of a franchise to build a granular and retail portfolio, Digitization for establishing a seamless lending process, capitalizing on synergies with internal channels for enabling low cost acquisition. Your Bank is among the first to launch mBOTS for loans for its employees. In this financial year your Bank has disbursed more than ₹ 10,000 crores of retail loans (YoY growth of 3x) and achieved a significant milestone of disbursing ₹ 1,000 crores every month in the last quarter.

BUSINESS BANKING

Your Bank has adopted a highly focused approach for serving MSMEs, where dedicated verticals with requisite expertise have been created to provide segment specific and need based financial solutions during the entire life cycle of the MSMEs. Your Bank has been consistently following the 'Knowledge Banking' approach, which clearly distinguishes it from its peers in the MSME space. Your Bank's offerings are also providing impetus to the Government's vision of 'Make in India' by catering to MSMEs in the relevant sectors. Your Bank has fostered growth, competitiveness and employment creation through financing the MSMEs. Your Bank is working towards making the Banking experience more convenient by reducing the overall process turn-around times and by adopting large scale digitization, your Bank has also developed associations with E-Commerce and Fintech companies in this domain. Your Bank has inked an MOU with SIDBI under the World Bank sponsored Partial Risk Sharing Facility Scheme and stepped up its efforts to provide financial assistance for projects in the Energy Efficiency space. This will help the Bank to contribute significantly to the global environmental cause. A greater focus in lending to MSMEs and Agri-linked businesses has helped the Bank to fulfill its priority sector lending requirements. Your Bank also partnered with the NSIC, SIDBI, CRISIL, FIEO (Federation of Indian Export Organizations) and other key institutions in the MSME space to ensure that the best schemes and benefits were passed on to customers.

PRODUCT CAPITAL

TRANSACTION BANKING

Your Bank's Transaction Banking Group (TBG) won several national and international awards and accolades in FY 2016-17. This includes 'Most Innovative Technology in the Financial Sector', 'Best Trade Finance Bank in India', 'Best Corporate Digital Bank' and 'Best Payment Solution in India'. Your Bank's Blockchain Technology Supply chain Solution was recognized globally as one of the best deals. The key focus of the team is to conceptualize and deliver quality products and services seamlessly. There is an enhanced focus on digitization of processes with the ultimate aim of enhancing end customer experience.

The Group specializes in core banking offerings like Current Accounts, Cash Management Services, Capital Markets & Escrow Services, Trade Finance & Services and Bullion (Gold & Silver) Trading, provided under the aegis of the YES Transact brand. The team comprises of domain specialists from diverse backgrounds with significant experience interacting with customers and other market participants to understand, address and fulfil the strategic, financial and operating requirements of the customer in the following areas:-

- Working Capital and Liquidity management
- Treasury integration
- Exposure and Risk management
- Inbound and Outbound remittances
- State-of-the-art integrations with client's ERP to provide seamless receivables and payables solutions
- Customized and Innovative solutions aiding process automation and/or integration of customer's systems with that of the bank.
- Regulatory and International Trade Advisory
- Bullion (Gold & Silver) Sales and fulfillment of

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

working capital requirement in the form of Gold Loans

- Financial Supply Chain solutions

The core group also developed and implemented unique and customized product propositions across industry verticals. Your Bank exceeded customer expectations by offering an efficient Transaction Banking unit, continuously expanding its product suite through its Knowledge Banking-led strategy and strengthening its delivery channels. The unit has strengthened its focus on its Digital strategy to build synergies amongst different verticals and enabling unique opportunities for clients, thus differentiating YES BANK's products and service propositions.

Your Bank's 'Integrated Financial Supply Chain' solutions, today assist the corporate client to reduce cost, optimize working capital, avoid supply chain disruptions and manage risks. Today, financial supply chain offerings are digitally available through paperless records and cash less transactions riding on API' on a real time online basis. Under its 'API Banking' suite, TBG launched multiple solutions encompassing payments, collections and Supply Chain Financing services. API solutions have been resonated successfully across varied sectors including E-commerce, Financial institutions, Overseas Exchange houses, Manufacturing, Utility service providers etc.

To further strengthen its product portfolio, Your Bank has decided to establish its Custody business. YES Bank was also privileged to obtain approval from The National Securities Clearing Corporation Ltd. (NSCCL) and The Indian Clearing Corporation Limited (ICCL) as a Professional Clearing Member of Future and Option Segment.

YES Bank has been a proud flag bearer in the development of Gujarat International Financial Tec-City (GIFT City) and was the first bank to start operations with the launch of its IFSC Banking Unit in October 2015. The Bank has since grown and has emerged as the "Largest Bank" in IFSC, offering the entire range of permissible products and services across Asset, Liability and Capital Market segments.

Consistent with its One Bank strategy, your Bank has created a separate B2B2C group to focus on increasing product penetration across all corporate relationship groups with the objective of increasing cross sell opportunities as well as enhancing the retail liability business. 'YES: Head Startup' - a comprehensive and customized suite of banking solutions focused on supporting and encouraging the startup revolution in India, has also been initiated and preliminary results are extremely encouraging. We anticipate a lot more traction in this space in the coming year.

FINANCIAL MARKETS

Backed by experienced professionals, the Financial Markets Group at your Bank offers a competitive and comprehensive line of financial market products and services to its clients. Your Bank's Financial Markets (FM) business model provides effective risk management solutions relating to foreign currency and interest rate exposures faced by its corporate clients. The FM group proactively assists clients by making them aware about the risks they face with respect to capital raising, investments, exports, imports and other market risks.

Your Bank has created a buoyant Debt Capital Markets (DCM) franchise with a deep-rooted knowledge of the underlying market dynamics, coupled with strong distribution and structuring capabilities. Since its inception, the DCM group has originated and efficiently executed numerous transactions, across the product suite, for clients including corporates, PSUs, Central and State Government entities and many NBFCs.

Your Bank was ranked No. 1 by Prime Database in the 'Private Issuers Category – Manufacturing/Services' of the Arrangers tables and was ranked No. 7 in the 'All issuers category' League table by Prime Database for 2016-17. Further, your Bank was ranked No.6 by Bloomberg in the India Domestic Bonds league table for CY 2015.

Financial Markets also conducts proprietary trading to maximize earnings by optimal risk taking across key fixed income, equities 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 your Bank is also raised by the FM Group. Your Bank continues to excel as ICRA (Moody's affiliate in India) has reaffirmed your Bank's A1+ rating for its 10,000 crores Certificate of Deposit program. A1+ rating indicates the highest level of safety in the short-term.

LOAN SYNDICATIONS

The Loans Syndication (LS) team has sold down long term bulk exposures to banks & financial institutions to improve the overall yields on the loan book of your Bank thereby creating a strong brand equity across stakeholders like banks, NBFCs and other financial institutions. Over the years, the team has demonstrated strong credit appraisal & structuring skills, sectoral knowledge and relationship management which has been appreciated across the stakeholders spectrum and is reflected in the results below.

- The LS team has successfully placed approximately ₹ 30,500 crores (~USD 4.7 Billion) in FY17 as against ~ ₹ 21,000 crores (USD 3.3 Billion) in FY 2015-16 to its partner Banks, NBFCs and financial institutions within India as well as internationally. The clientele involved pedigreed players across the manufacturing, renewable energy and real estate sectors.

- The team's consistent performance has placed your Bank in top 5 (maiden entry in top 5) in the syndicated loans league table ranking by both Bloomberg and Thomson Reuters for CY 2016.

  - Ranked 4th in Indian Borrower Local Currency Loans Bookrunner and India Borrower Local Currency Loans Mandate Lead Arranger by Bloomberg for CY 2016 up from 7th and 6th respectively in CY 2015

  - Ranked 4th in India Rupee Loan Bookrunner and India Rupee Loans Mandate Arranger by Thomson Reuters for CY 2016 up from 8th and 6th respectively in CY 2015

ASSET RECONSTRUCTION AND MANAGEMENT GROUP

An ongoing challenge faced by the Indian banking industry is a decline in asset quality. Your 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 provided effective solutions for resolving stressed assets by leveraging its regulatory and legal understanding.

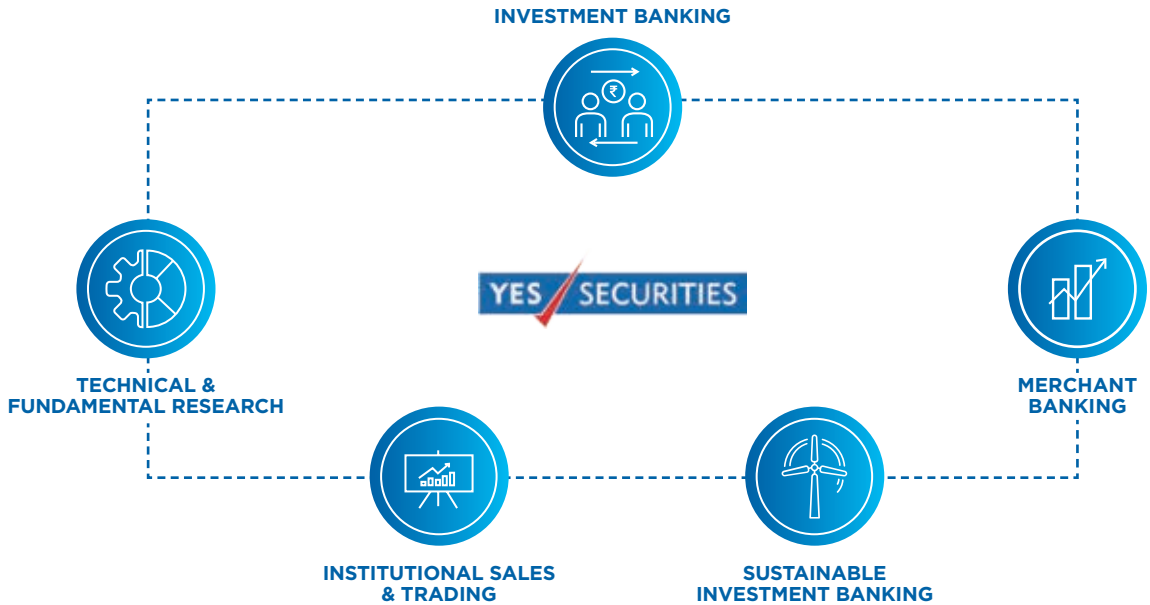
ARM employed multi-pronged resolution strategies, which included operational and financial restructuring, identifying strategic investors for the takeover of stressed assets, business turnaround financing, negotiating with borrowers for onetime settlement, (recovering through the enforcement of security interest) under the Securitisation Act 2002, using various enablers from extant RBI policies and selling non-performing assets to asset reconstruction companies (ARCs).

ARM's focus resulted in your Bank continues to be reflected in best-in-class credit metrics..

YES SECURITIES

YES Securities (India) Limited (YSIL), your Bank's Broking and Investment Banking subsidiary, continued its growth in FY 2016-17. During the year, YSIL expanded its coverage beyond Mumbai and NCR to offer its best-in-class 3-in-1 proposition to customers in 8 additional cities – Bangalore, Chennai, Hyderabad, Kolkata, Chandigarh, Pune, Ahmedabad and Jaipur. YSIL now offers customers a best-in-class investment experience on the web and across mobile devices (app available for iOS and Android) and continues to strengthen its research and execution capabilities. The company also built robust Institutional Broking capabilities and has been empanelled as a Broker by several leading institutional and corporate clients.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)



YES Securities is a well-integrated financial services firm offering a gamut of services, such as Investment Banking (including Equity Capital Markets and Sustainable Investment Banking), Institutional Sales & Trading and Equity Research to its clients. The firm is a registered securities broker with SEBI and is also a member of NSE and BSE.

Investment Banking: The Investment Banking team provides 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 & Agribusiness, Media & Entertainment, Internet & E-Commerce, Consumer Markets, Infrastructure & EPC, BFSI, Industrials and Logistics to corporate clients. YSIL's Investment and Merchant Banking closed 22transactions during the year under review. Some of the representative transactions consummated by the team during the year under review include:

- Exclusive strategic and financial advisor to Travel Food Services Pvt. Limited for divesting 49% stake to SSP Group plc
- Exclusive strategic and financial advisor to Fonroche Energie for sale of its 22.3 MW solar plant to Hinduja group
- Book Running Lead Manager to the ₹ 11.0 Billion IPO of Varun Beverages Limited
- Book Running Lead Manager to the ₹ 7.5 Billion QIP of Bharat Financial Inclusion (erstwhile SKS Microfinance Ltd).
- Lead Manager to the ₹ 70 Billion NCD issue of Indiabulls Housing Finance Limited.

Merchant Banking: The Merchant Banking team provides Capital Market products such as Initial Public Offerings (IPO), Qualified Institutional Placements (QIP), Public Debt Offerings, Rights Issues and other structured offerings to leading Indian companies at each stage of the capital life-cycle.

Some of the representative transactions consummated by the team during the year under review include:

- Book Running Lead Manager to the ₹ 7.5 Billion QIP of Bharat Financial Inclusion Limited (erstwhile SKS Microfinance Limited)
- Book Running Lead Manager to the ₹ 11.0 Billion IPO of Varun Beverages Limited
- Lead Manager to ₹ 30 billions Public issue of NCDs of Reliance Home Finance Limited
- Lead Manager to the ₹ 70 billions Public issue of NCDs of Indiabulls Housing Finance Limited
- Lead Manager to ₹ 140 billions Public issue of NCDs of Dewan housing Finance Corporation Limited

Sustainable Investment Banking (SIB): The SIB practice focuses on providing advisory services exclusively in the areas of Sustainability, Clean Technology, Renewable Energy, Environmental Services and Education. Key transactions by the team during the year under review are as follows:

- Exclusive strategic and financial advisor to Atria Brindavan Power Pvt. Ltd. for raising structured debt of ₹ 7,500 millions from Piramal Enterprises Ltd. and APG Asset Management by issuance of Non-Convertible Debentures (NCDs)
- Exclusive strategic and financial advisor to Greenko Energies for acquiring Sunedison's solar portfolio in India
- Exclusive strategic and financial advisor to Fonroche Energie SAS, France for sale of 22.3 MW operating solar projects to Hinduja Group
- Exclusive strategic and financial advisor to Indo Rama Renewables for sale of 30 MW operating wind assets to Tata Power Renewable Energy
- Exclusive advisor to CDC Group PLC, London for opportunity mapping & acquisition advisory towards setting up a renewable energy platform in India
- Exclusive India advisor to New Generation Power, USA with regards their identified acquisition for a wind portfolio & a gas based project in India
- Business planning & financial advisory for the India roll out of Veriown (subsidiary of New Generation Power, USA), a pay-as-you solar home lighting product targeted at the rural energy access market.
- **Institutional Sales & Trading:** The Institutional Equities team caters to Domestic Institutional Investors and Foreign Institutional Investors across geographies. The client focused sales team follows a thorough research based and customized service oriented approach. With a keen focus on understanding client-specific objectives, the sales team works closely with the research team to provide market insight, actionable ideas and opportunities relevant to the firm's clients. The trading team provides trading strategies across the spectrum and ensures seamless execution of every transaction.
- **Equity Research:** YES Securities provides Equity Research services to clients, to enhance portfolio performance and minimize risk, through an experienced fundamental and technical research team covering 25+ companies across diverse sectors.

RESPONSIBLE BANKING

Your Bank's Responsible Banking ethos remains the mainstay of its single-minded focus on inclusive and sustainable growth, by weaving sustainability principles into its core operations and expanding its alliances for India's development. As a core plank that runs across all functions of the Bank, it is firmly integrated with our business strategies, approaches and targets, enabling us to create shared stakeholder value both in the near and long terms.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

During the year, the Bank's global engagement on key sustainability topics expanded significantly and it was recognized as a Thought Leader on noteworthy national and international platforms. The Bank was invited to speak at the UN High-Level Thematic Debate at the UN in New York in April 2016 and was the Lead Discussant to the UN Private Sector Forum at the UN General Assembly in September 2016. It spoke at the World Bank Group's Dialogue for Climate Action in Vienna in May 2016 and at the Climate Week organized by the World Bank in New York in September 2016. In addition, your Bank was the only Indian bank invited to speak at the G20 ESG Workshop in Berne, Switzerland in May 2016. Significantly, your Bank's CSR project, 'Say YES to Sustainable MSMEs in India' was highlighted as a Role Model case study at the COP22 in Marrakech, Morocco, by the World Resources Institute, and showcased at the Conference's India Pavilion.

Your Bank continues to be a signatory to key protocols focused on climate action and sustainable development, including the UNEP FI, Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Natural Capital Finance Alliance, and is member of key national and global alliances including the India GHG Program, TERI Council for Business Sustainability, and WBCSD. In the year, Responsible Banking produced four knowledge reports on pertinent topics:

- Financial Structures for Solar Energy
- Transplanting Growth Greening our Highways
- Climate Change as a Driver of Energy Efficiency in MSMEs
- Compendium of Global Success Stories in Solar Power.

Your Bank continues to be the only Indian Bank in the DJSI Emerging Markets Index for the second consecutive year in 2016, and in a significant achievement, YES BANK was assigned an ESG rating of AAA by MSCI ESG Research.

This year, your Bank became the first bank globally to migrate to the new ISO 14001:2015 certification, which now covers the Bank's 444 Metro-Urban branches and 3 corporate offices. Towards mainstreaming sustainability best practices across its value chain, the Bank formulated its Supplier Code of Conduct and organized a 'Sustainable Procurement' Workshop for its strategic suppliers.

YES COMMUNITY, the Bank's unique branch-led community engagement program, touched over 20 lakhs lives in 2016-17, through its pan-India branches. The Bank's 'Livelihood and Water Security' program provided access to safe and clean drinking water to more than 3.66 crore lives in Maharashtra, Delhi and Goa. The Bank's 'Say YES to Sustainable MSMEs in India' initiative impacted 2,229 MSME units and over 10,425 workers in 11 states.

During the year, Your Bank launched an innovative, blended finance project in pilot mode towards promoting environmentally sustainable livelihood security among 600 under-privileged women salt farmers in the Little Rann of Kutch region in Gujarat, and became the first private sector company to enter into a CSR commitment with the National Highways Authority of India under its 'Adopt a Green Highway' program.

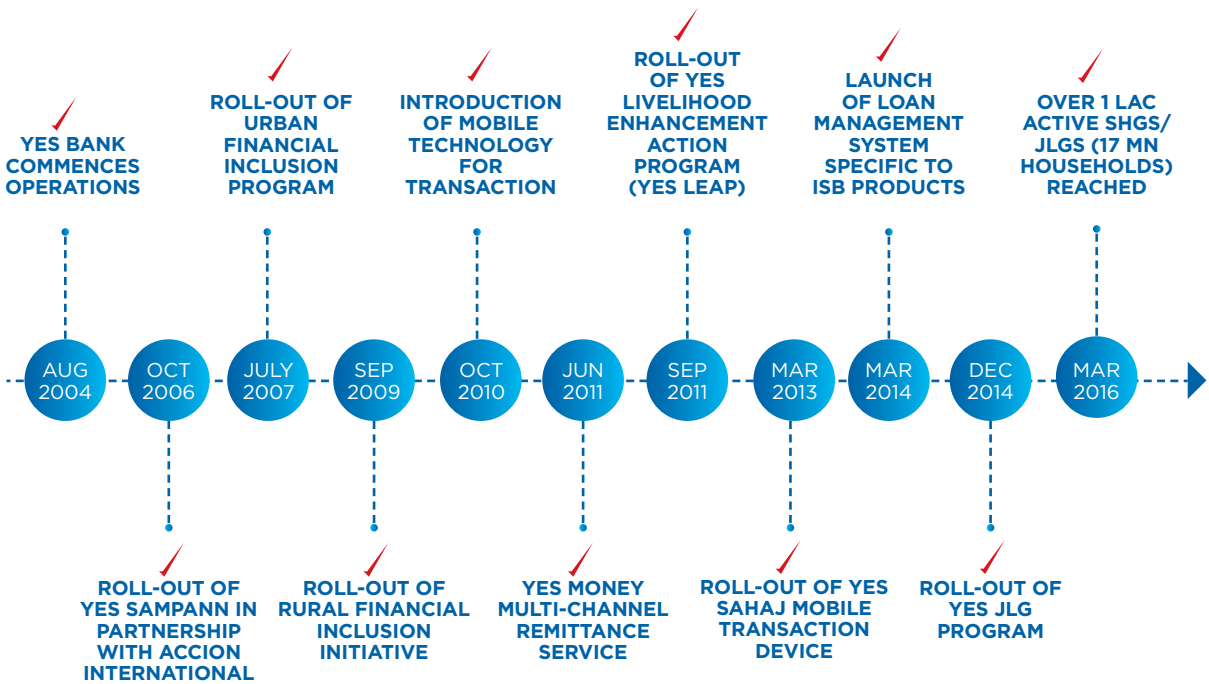
'YES! i am the CHANGE', the social film making challenge launched by YES FOUNDATION, YES BANK's social development arm, has achieved unparalleled success, with participation of over 13 lakh individual participants comprising 3.24 lakh teams, submitting over 29,000 films, and the launch of a new initiative, the YES FOUNDATION Social Film Grant, in FY 2016-17.

Your Bank was recognized in India and abroad for its sustainability performance, winning the Euromoney Award for 'Asia's Best Bank for CSR', the 'Innovative Bond Structure of the Year' by Environmental Finance Magazine, and the Award for 'Most Effective Domestic Community Investment' by Ethical Corporation, among others.

INCLUSIVE & SOCIAL BANKING

In line with the Responsible Banking vision to mainstream sustainability within its core business and address needs of the 'next billion' customers, Your Bank created a special division called Inclusive & Social Banking (ISB). ISB is responsible for the design and implementation of various financial inclusion initiatives. For Your Bank, financial inclusion is not just a social and regulatory obligation but a viable business opportunity. The mandate of ISB was to reach the un-banked and under-banked population (rural, semi-urban and urban areas) by leveraging your Bank's branch network, technology edge and relationship capital in the public, private and social sectors. Following the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI), the ISB team developed innovative business models and forged partnerships leading to their seamless implementation. It aimed to create viable business models while providing 'access to finance' to the bottom-of-the-pyramid customers.

ISB offered various financial services comprising microcredit, micro-saving, micro-insurance and remittance services across geographical and socioeconomic contexts and partners. With the flagship program, YES Livelihood Enhancement Action Program (YES LEAP), Your Bank provided comprehensive financial services (credit, saving and insurance) to Self-Help Groups/Joint Liability Groups through partner organizations acting as Business Correspondents and touched over 1.7 millions households across 18 states and 250 districts.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

While being committed to Financial Inclusion, ISB's recent focus has been on enhancing technology solutions to efficiently scale YES Bank's outreach to cater to more unbanked and under banked population of India. ISB introduced a dedicated first of its kind loan origination & management system for booking SHG loans. It offers the flexibility of microfinance institutions along with regulations and risk controls required for banks at the same time. All field transactions were recorded in YES Sahaj mobile transaction device and monitored centrally. Furthermore, for improved monitoring over field operations, increased efficiency and transparency, tablet solution is being launched. This will help bridge the inability of banks to have brick and mortar branches for serving the remote rural population. There will be seamless integration between field operations and loan booking with this initiative.

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

MICROFINANCE INSTITUTIONS GROUP

Your Bank remains committed to creating equal financial opportunities for all. Your Bank promoted microfinance as a new asset class, widening access to capital through a two-pronged strategy involving the Microfinance Institutions Group (MFIG), and mainstreaming bottom-of-the-pyramid clients through the Inclusive and Social Banking team. Via product suite of MFIG that comprises of Term Loan Facilities, loan syndications, rated capital market loan products like pool securitization, bonds, commercial paper, pass through certificates (PTCs), Your Bank catalyzes growth of the Indian microfinance industry.

Your Bank aims to access more investors and reduce fund costs, thereby making it possible to deliver affordable, fairly-priced and customized financial solutions. The MFIG engaged in advocacy at various levels, emerging as the primary channel to engage with stakeholders (MFIs, investors, rating agencies, policymakers, governmental agencies and regulatory bodies) and making it possible for the Group's activities to touch the lives of millions of people.

AGRIBUSINESS PRODUCT MANAGEMENT

The Food and Agribusiness sector is fueling the growth of an emerging India and is of strategic importance to the country. With the Government's impetus on the sector and a slew of policy measures initiated such as doubling of farmers' income by 2022, market reforms for e-mandi, etc., the F&A sector is all set for a quantum jump, thus creating innumerable opportunities for all the entities associated with it. F&A sector has always been one of the focus areas for your Bank, which has put us in a good stead to capitalize on these emerging opportunities. Agribusiness Product Management (ABPM) is a specialized team which facilitates building of banking opportunities in the agri value chains through structured financial products that are regulatory compliant while mitigating credit risk. The team is also responsible for ensuring that the bank meets the regulatory Priority Sector Lending norms. The team of around 110 bankers, comprising of experienced industry and banking professionals with relevant domain knowledge and skill sets, interacts with F&A clients to create structured lending propositions for agri value chain participants – farmers, MSMEs as well as corporates. As a part of agri value chain financing, your Bank has also created a robust portfolio against pledge of agri commodities while ensuring adequate risk mitigation. Within ABPM, there is a specialized team which closely monitors the commodity pledge financing portfolio and mitigates the inherent risks through daily monitoring of prices of the funded commodities & marking to market through a Commodity Desk and frequent audits of the funded stocks through an internal audit team on the ground. Another focus area of the Bank has been the emerging segment of Farmer Producer Companies (FPC) wherein your Bank is partnering with select FPCs with sustainable business models, thus creating a sizeable & profitable portfolio.

PROCESS, SERVICE & TECHNOLOGY OVERVIEW

SERVICE AND TECHNOLOGY CAPITAL

To enhance customer delight, your Bank has undertaken various technology enabled business initiatives to deliver improved customer experience, ease of banking and operational excellence. As the number of ways to connect with customers' increase and self-service channels become the primary way for banking, an omni channel approach provides competitive advantage to the Bank. Your Bank has leveraged state-of–the-art technology to enable customer accessibility of all products across all channels through seamless multi-channel integration. To achieve this, the Bank has been simultaneously focusing on adoption of innovative practices in digital banking and digitization of end-to-end processes.

Technology is a key enabler and facilitator to the critical goals of your Bank allowing it to make systems and processes even more efficient. Since inception, your Bank continued to invest heavily in technology to provide better products and superior customer experience. Your 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

Your Bank continued to refine operational processes from the perspective of implementation of Best Practices, Risk Identification and Containment to bring about greater precision in the management of operations in both the Corporate and Retail side of the Bank's businesses.

In our pursuit to **Build** a Quality Organization, your Bank seamlessly extended its professional approach to business processes resulting in continuous improvement.

Some key initiatives comprised:

- Your bank has deployed an enterprise level Customer Relationship Management solution which provides the Bank a single view of both Corporate and Retail customer segments. Lead management system has been built for the sales team to enhance their productivity.

- Centralized back office functions (NOC-National Operating Centres) of various businesses are working in full capacity in Mumbai and Gurgaon & recently at Chennai covering spread over 4 lakh sq. ft. to employ 9,000 employees at full capacity and expanded to 12,000 by 2020.

- 'Yes Touch Contact Centre' located in Gurgaon& Mumbai provides superior customer service and efficient business continuity planning along with dedicated Trade & CMS Helpdesk.

- Business Excellence frameworks and quality practices, such as Five S, Lean, Six Sigma and ISO 9001 standards established for (name all departments). Back-office operations at NOCs, 101 key branches and your Bank's Internal Audit Function have been certified under ISO 9001 (Quality Management System).

- Your Bank's complaints management processes have been certified under ISO 10002 (Customer Service - Complaints Management system). Your Bank used the Complaints and Query Management System as a singular touch point to log, handle, escalate and resolve customer grievances.

- Your Bank strengthened its Business Continuity Management Framework (ISO 22301-certified) and Information Security Management Framework (ISO 27001-certified).There is an on-going evaluation of all critical parameters, including an end-to-end (e2e) review of critical business processes.

- Your Bank has embarked on a journey towards ISO 31000 Standard on Enterprise Risk Management framework for efficient and robust risk aggregation and monitoring.

- Your Bank implemented a framework for the measurement of Customer Experience (internal

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

and external) to ensure that customer feedback across each touch point (including customer complaint registers, customer satisfaction surveys, telephonic surveys and employee feedback) was collected, analyzed and acted upon.

- Your Bank has digitized transaction processing in critical functions for straight through processing and enabling paper less transactions.
- Your Bank leveraged social media as a new channel for superior customer service to address queries/complaints, receive feedback, garner inputs on service (VOC),
- Your 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.
- Your Bank is the first Bank in India to be certified on ISO29990 (Learning Management System) for YES School of Banking.

EMBEDDING A CONTINUOUS IMPROVEMENT APPROACH

Your Bank's Quality Assurance and Service Delivery Units provided a framework that facilitated continuous improvement. The Quality Policy at your Bank states, 'YES BANK' will strive to ensure a consistent superior service experience through operational excellence, innovation, cutting-edge technology and best-in-class systems, and processes in its mission to become 'The Finest Large Quality Bank of the World in India' by 2020.

THE SERVICE QUALITY STRATEGY

The Quality Assurance and Service Excellence teams take up focus initiatives under the framework of Lean and Six Sigma integrated methodology towards improvement of service and process standards. The team actively engages with customers across various channels to capture the feedback and the same is analyzed before being taken up for improvements. The complaints management team conducts Root Cause Analysis on an ongoing basis to arrest the repeated issues.

The Service Quality framework of your bank is built on the world renowned PDCA (Plan – Do – Check – Act) model of Deming's improvement cycle. Under this, Bank Branches are visited by the especially skilled quality professional 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.

Your Bank's three-pronged structure to bolster customer service comprised 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 Centre, which acted as a clearing house for ideas that helped your 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 your Bank's Quality Policy and Objectives. Quality improvement drives, like workforce suggestion schemes, Lean Six Sigma, Five S, ISO 9001 and ISO 10002 were implemented across business units and branches.

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

At your Bank, external and internal service delivery (customer satisfaction) was measured using dashboards, Voice of the Customer (VOC), Branch Service Committee Meetings, Sigma Scorecards 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 on-going service marketing program, and measured through mystery shopping, on-job monitoring and Branch Executive Leadership Team (BELT) programs, were held periodically across key branches.

Your Bank created a knowledge pool of Six Sigma/Lean change agents to reinforce a culture of improvement. Your 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, your Bank has been recognized as 'World-Class' in the Service Category by Asia Pacific Quality Organization. Your Bank is also the only Indian Bank to win this prestigious global award based on Malcolm Baldrige Business Excellence Framework (USA).

SERVICE INITIATIVES DURING DEMONETIZATION:

During the Demonetization period, your Bank took various proactive measures to take care of the difficulties faced by the customers and public at large. Your Bank received a huge number of appreciations in writing and on Social Media due to the measures taken by the bank.

Some of these were

- Initiated Extended Hours for Cash Deposit and Currency Exchange
- Your Bank ensured sufficient Cash availability across most branches
- Your Bank was amongst the first few Banks to configure the ATMs to start dispensing the new currency notes of 500 and 2000 denomination
- Separate Queue for Senior Citizen and Divyang persons
- Setting up of canopies outside the branches for customer convenience
- Maintaining service gesture and supportive attitude despite long hours by the branch staff.

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

2016	"Golden Peacock- National Quality Award" - Dubai
2016	"Asia Pacific – Best Bank for Payments & Collection" - Global Finance, London
2016	"The Banker- Transaction Banking award for Payment"- The Banker, London
2016	"Best Trade Finance & Supply Chain Deal" –Asian Banking & Finance, Singapore
2016	"Best Cash Management Project in India"- Asian Banker's Choice Awards
2016	"The Best Trade Finance Bank in India."- Asian Banker Transaction Banking Award
2016	"QimPro Qualtech Award for Process Improvement" – Qimpro Foundation

INFORMATION TECHNOLOGY

Information Technology (IT) is a critical enabler of business transformation and growth needs to play a fundamentally distinctive role as it partners with the business. IT-enabled businesses, advances products and innovation and foster customer-led growth. As a new generation Bank, Your Bank has deployed "Technology" as a Strategic Business enabler - to build a distinct competitive advantage and to achieve superior standards of Customer Service.

Your Bank has recognized this and has committed to investing in Technology adopting an A-R-T (Alliances, Relationships, and Technology) approach where-in we have identified the need of the current times and pain points of the customers concluding on these as a set of opportunities without compromising on security to ensure the customers carry out their banking needs and services with ease and comfort frame of mind.

In the Financial Year (FY) 2016-2017, the Technology unit of the bank was re-aligned with Business and renamed to Business & Digital Technology Solutions

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Group (BDTS) given the Digital focus and Strategic Business Alignment. The vision of the Business & Digital Technology Solutions Group (BDTS) at Your Bank remains the same "To make life simpler for our customers and colleagues".

Working on its strategy which is broken into two parts i.e. "Run the Bank" to continue work on Initiatives which are needed to keep the banks operations running effectively and "Build The Bank" BDTS keeps a laser-sharp focus on transformation initiatives to meet the Vision of the Group and Your Bank. During the current FY, many new initiatives were completed successfully as well as systems were upgraded to latest versions to support the growing needs of Your Bank. Few of the key projects which were bank-wide during the year are being highlighted as below:

- With a view to support new initiatives, innovations and ensure customer delight, your Bank have successfully executed a major upgrade of the Core Banking System perhaps the only Bank in India, that has executed a Core Banking Upgrade project of this size and complexity including both Retail and Corporate parts of the business, with a Big Bang Cutover approach. Your Bank has also upgraded various systems and platforms as also implemented new systems and platforms. Your Bank has implemented virtualization in its data centers, to ensure its IT Infrastructure is highly resilient and usage is optimized. As a result your Bank has reduced its carbon footprint.

- The bank has embarked upon implementing Virtual Desktop Infrastructure (VDI). VDI refers to the process of running a user desktop inside a virtual machine that resides on a server in the datacentre. It's a powerful form of desktop virtualization because it enables fully personalized desktops for each user with all the security and simplicity of centralized management.

- Your Bank implemented a multi-nodal Blockchain transaction to fully digitize vendor financing for Bajaj Electricals to digitize the process for discounting and disbursal of funds to its vendors by integrating seamlessly with YES Banks systems.

- Your Bank collaborated with a Global Cyber Security Research Lab as a co-innovation partner for developing next generation first of the kind Fintech and Cybersecurity Solutions solution with capability to provide "real time cryptographic digital transaction signing" at massive scale.

- Your Bank has launched Corporate mobile banking App which will provide an OMNI Channel online banking experience to our corporate clients. It will enable them to view and authorize transaction requests initiated on 'Corporate Net Banking' on their mobile devices even when they are travelling or are out of office.

- YES Money (RKB) application: Indo-Nepal Remittance Program made operational to enable almost 5 millions Nepalese Migrants to send money back home. Nepalese migrants to be able to use any of 50000+ YES Money BC Agent outlets to register themselves and 3000+ outlets of Mega Bank and Global IME Bank can be accessed by Beneficiaries to get disbursal of remitted money.

- "YES PULSE" (CRM) and Sales module was rolled out for Retail Banking (RBA), Business Banking (BB) & Branch Banking (BrB) teams of your bank. With this roll out all these users can do comprehensive customer engagement management, log customer interactions, Lead management, create and assign tasks etc.

- Your Bank's new corporate website was released to public. Your bank was also the first bank in the country to be LIVE on a .bank domain; (yes.bank).

Technology has responded by being true strategic partner with business. Many first mover implementations have provided business, long lasting advantages, as also won many accolades and awards for the Bank.

INDUSTRY AWARDS AND ACCOLADES

1. Indian Banks' Association (IBA) Awards 2017 -The Best Technology Bank of The Year

2. NETApp innovation Award for YES PAY-Digital App to YES Bank CIO; Mr. Anup Purohit

3. National Payments Excellence Awards; to YES Bank for following two applications:
   - CTS-Cheque Truncation System
   - IMPS-Immediate Payment Service

4. Bankers Frontiers Finnoviti 2017 Awards for following two apps:
   - SIM SE PAY
   - YES TAG

5. Dynamic CISO Summit & Excellence Award 2017 for "The Hero's of Tomorrow"

6. Fintech India Award 2017, Anup Purohit for API Banking

7. BSE CIOKlub IT Awards 2016- CIO of the Year

8. Golden Peacock National Quality Award, 2016 at the Institute of Directors (IOD) 2016 World Congress

9. The Asian Banker Awards 2016
   - Best Corporate Payment Project Award for Payment Solution implemented for Snap deal
   - Best Trade Finance Bank in India

10. IDRBT Banking Technology Excellence Awards 2016 - Best Bank Award for Cyber Defence

11. Sify Technologies "Digital Innovation Champion at CIO Crown 2016, Mumbai";

12. IDG 11th Annual CIO100 Symposium & Awards "The Transformative 100";

13. iCMG Architecture World Summit 2016 "India Business CIO's Award 2016";

14. CSI – IT 2020 - Best CIO at the IT Innovation & Excellence Awards 2016 - For Big Data Analytics and Cyber Security.

HUMAN CAPITAL MANAGEMENT

Your Bank pursued a strong employee value proposition of 'Creating & Sharing Value' driven by the ethos of Professional Entrepreneurship and a talent philosophy of Owner-Partner-Manager model with all YES BANKers engaging, directing, managing and accelerating development.

The Human Capital engagement practices at your Bank were targeted at developing the Bank's brand as a 'Preferred Employer of Choice'. Your Bank continued to attract and retain the best talent from within India and abroad. Besides, your Bank hired a number of experienced professionals from other private sector banks that strengthened our retail banking leadership. Your Bank made significant people investments in 2016-17, institutionalizing initiatives in the areas of executive engagement, improving workplace health and wellness, learning and development. The result of this investment in people was that, your Bank created a robust workforce of over 20,000 employees in just 13 years.

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

EXECUTIVE ENGAGEMENT

MAKING YES BANK A 'GREAT PLACE TO WORK'

Your Bank has been participating in the 'India's Best Companies to Work For 'study since 2013. The study is conducted by Great Place to Work® Institute, a leading management research and consulting firm. During this study, confidential and anonymous feedback is sourced by the Institute from randomly-identified YES BANKers, to measure the Bank's' Trust Index' across such parameters, as organizational credibility, respect, fairness, pride and camaraderie. Your Bank also participated in the 2017 study with 100% employees. The Trust index score has consistently gone up from 70 in 2013 to 72 in 2014, and subsequently to 74 in 2015 and 2016. The scores increased across all parameters.

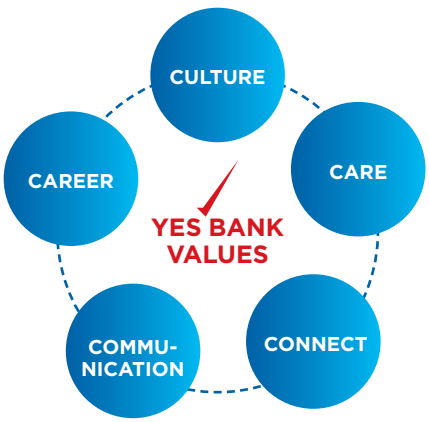
MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Your Bank was declared the 2nd Best Place to Work For in the Banking Sector in 2015.

While the detailed report is awaited, as per the preliminary report the Trust Index score has improved to 75 for 2017. Given the increase in headcount in the Bank over the last one year and the sample size this time was the entire employee base, the increase in the score is significant.

Hiring of 100+ management graduates from premier B-Schools in FY 2016-17 through the Y-PEP (YES Professional Entrepreneurship Program), the flagship program for campus recruitment is testimony to the success of the USRM program.

5 C'S EMPLOYEE ENGAGEMENT MODEL



To engage the growing workforce, your Bank follows the 5 C's Engagement Model viz. Culture, Communication, Career, Connect and Care. Your Bank ENGAGEs and DEVELOPs Human Capital by disseminating/ re-connecting YES BANKers with YES 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.

UNIVERSITY & SCHOOLS RELATIONSHIP MANAGEMENT (USRM)

The University & Schools Relationship Management (USRM) program is a structured, sustainable and scalable engagement process, which has created and maintained maximum mindshare for YES BANK, and plays a pivotal role in building YES BANK's brand as a 'Preferred Employer of Choice' among the Best Educational Institutions in India and abroad. Hiring of 100+ management graduates from premier B-Schools in FY 2016-17 through the Y-PEP (YES Professional Entrepreneurship Program), the flagship program for campus recruitment is testimony to the success of the USRM program.

The USRM Team launched the 5th edition of YES BANK Transformation Series, a case study competition themed on 'Innovation to Impact'. It saw participation from over 30,000 students from 700+ reputed Indian and international institutes.

YES SCHOOL OF BANKING (YSB)

YES SCHOOL OF BANKING

Your 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 & Confidence. In line with the same, YES School of Banking was institutionalized in 2007, with a vision to create a Centre 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 & development initiatives at YES BANK are domiciled under the aegis of this dedicated knowledge function.

The key focus areas for YSB are:

1. Massively multiplying Leadership Capability and Capacity

2. Enabling Scale Up of Retail Franchise

3. Business Priorities
   - Design Thinking, Innovation, Creativity led Entrepreneurship (DICE)
   - Productivity
   - Cross Sell
   - Service Culture
   - Compliance Culture

4. Digitalization (GO DIGITAL)

YES UDAAN

Your Bank associated with Project Udaan, an ambitious project undertaken in partnership with the Ministry of Home Affairs and the National Skill Development Corporation (NSDC), to provide training and employment opportunities to Jammu & Kashmir's youth. Your Bank launched the 4th edition of YES UDAAN, offering Certification in Banking Fundamentals program. The program received over 280 applications, out of which 23 youths were screened and selected through an online aptitude test, followed by a selection interview. The shortlist saw equal participation in terms of Gender, with 12 male and 11 female applicants selected for the training.

WOMEN CENTRIC INITIATIVES:

SAY YES TO G.R.A.C.E.

Your 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 amongst all executives, the Bank launched "Say YES to G.R.A.C.E" (Gender Respect And Commitment to Equality). This initiative is applicable to all YES BANKers irrespective of gender. Though keeping in mind the focus on women safety in India, this initiative has played a key role in gender sensitization.

REWARDS AND RECOGNITION

Your Bank was recognised as:

- No. 2 'Dream Company to Work For', Best Employer of the Year', 'Best Employer Brand of the Year (Banking Sector) by the World HRD Congress 2017

- First and only Learning & Development function in the Indian Banking Industry to be awarded dual international certification in ISO 9001:2008 and ISO 29990:2010 in 2016

- 'Best Employee Engagement Strategy' by HT Mint HR Innovation Awards, 2016

- 'L&D Team of the Year' by TISS Leapvault CLO Awards, 2016

- Most Inspiring Workplace of the Year 2015 – Private Sector Banks awarded by Banking Frontiers

- No. 2 in Banking under India's Best Companies to Work For 2015 (GPTW Institute)

- Runners up of BML Munjal Awards 2015 for Business Excellence through Learning & Development (Private Sector – Services category).

RISK MANAGEMENT

The long-term financial security and success of your Bank is built on a robust risk management system. Risk Management System is based on three lines of defence principle i.e. Business units, Independent Control Functions and Audit. Through proactive and improved risk management practices, your Bank's risk management function continuously works towards achieving financial stability and enhancing stakeholder

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

value. The Board of Directors of the Bank has overall responsibility for Risk Management. The Risk Management Architecture of your Bank is overseen by five Board level Committees viz. Risk Monitoring Committee (RMC), Audit Committee (AC), Fraud Monitoring Committee (FMC), Wilful Defaulters & Non-Cooperative Borrowers Committee and Board Credit Committee (BCC) which strives to put in place specific policies, frameworks and systems for effectively managing the various risks.

The day-to-day functioning is managed by the Risk Management Department (RMD). The RMD is headed by the Chief Risk Officer (CRO). The Chief Risk Officer (CRO) is responsible for an effective implementation of an enterprise wide risk management framework and risk culture through various risk policies, processes, thresholds and controls that would 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 Department consists of various teams such as Credit Risk Unit, General Legal Counsel and Risk Control Units. Credit Risk Units under the supervision of their respective Credit Risk Heads are responsible for evaluating, rating and underwriting credit. Risk Control Units such as Market Risk, Operational Risk, Enterprise Risk, Information Security, Portfolio Analytics Unit, Credit Risk Control Unit, Credit Mid Office, Credit Intelligence & Analytics and Risk Containment Unit are responsible for independent review, monitoring and reporting of all risk control parameters and taking appropriate corrective actions where necessary. These units under the supervision of Chief Risk Control Officers (CRCOs) are also responsible for ensuring compliance to internal policies and regulatory guidelines.

ENTERPRISE RISK MANAGEMENT

Your Bank has an Enterprise Risk Management Unit (ERM) that is responsible for implementation of ERM framework, Risk Aggregation, Risk based pricing, Pillar II Risk assessment of – Reputational Risk, Compliance Risk, Concentration risk etc., BASEL II / III compliance, Internal Capital Adequacy Assessment Process (ICAAP) review, migration to advanced approaches for capital charge computation and Bank wide Stress testing. Your Bank has further constituted two Committees - Enterprise Risk and Capital Management Committee (ERCC) and Reputation Risk Management Committee (RRMC). ERCC is responsible for overseeing Enterprise Risk Management, Capital Management, and ensuring that all material risks are identified, measured, monitored and controlled in accordance with Bank's Risk Appetite, as well as, within Regulatory guidelines. The RRMC oversees Reputation Risk Profile, designs proactive steps for enhancement of Reputation of the Bank and management of Reputation Risk events for the Bank.

Your 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. Your 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. Your Bank has also formulated an overarching ERM Policy, an extensive policy on ICAAP, commensurate with the Bank's size, level of complexity, risk profile and scope of operations. Your Bank has thus evolved a robust enterprise-wide risk management framework which is geared to support the business plans of the Bank.

CREDIT RISK

Your 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. Your Bank currently has three committees for approving credits, viz. Board Credit Committee (BCC), Management

Credit Committee (MCC) and Executive Credit committee (ECC). Of these, the BCC is a Board level sub-committee, while MCC and ECC 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 your 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 your 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. Your 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, identify early warning signals and assess the overall health of borrowers. Your Bank has taken proactive measures to ensure that delinquencies are maintained at a minimum level, through robust post-sanction monitoring processes. There is a dedicated team, which works towards 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 monitoring of early warning signals, identifying portfolio trends, and generating portfolio level MIS, covering various credit quality indicators. Further, 'Credit Risk Control Unit' is responsible for independently reviewing your Bank's credit policies and programs, including rating models for corporates and scorecards for retail / program based lending. The unit is also responsible for migration to Internal Ratings Based (IRB) approach and Ind AS for Credit Risk. Your Bank also has an active legal department that helps in assessing and managing material legal risks. 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

Your Bank's Market Risk management is governed by comprehensive Board approved policies such as Market Risk Policy, ALM Policy, Liquidity Policy, Investment Policy, Hedging Policy, Stress Testing Policy, Derivative Policy and a Derivative Appropriateness 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.

Your Bank has an integrated, straight-through processing and state-of-the-art treasury system for enabling better risk management. Your Bank measures liquidity, currency, and interest rate risks through various metrics, viz. Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Intraday Liquidity Monitoring, Liquidity Coverage Ratio, along with other Liquidity Ratios, Value at Risk (VaR), Earnings at Risk (EaR) and Market Value of Equity, Sensitivity Analysis, among others using robust internal risk models. Your Bank regularly conducts stress testing to monitor the Bank's vulnerability towards extreme, but plausible unfavourable shocks. Your Bank monitors and controls its risk, 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, management experience, peer analysis and the Bank's risk appetite. The risk reporting mechanism in the Bank comprises disclosures, and reporting to the various management committees, viz. Investment Committee, Asset Liability Committee, among others.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

OPERATIONAL RISK

Your Bank, in accordance with the regulatory guidelines, has implemented a comprehensive operational risk management policy and put in place a framework to identify, assess and monitor risks, strengthen controls, improve customer service, and minimize operating losses. Your Bank has constituted the Operational Risk Management Committee (ORMC), which is the primary driver for implementing the best industry practices in Operational Risk Management. Your Bank has further implemented a comprehensive Business Continuity Management (BCM) Policy, to safeguard the interests of the employees and customers, in the event of a disaster or significant disruption that may affect its operations and premises. The plan is designed to facilitate the safety and well being of employees, and continuity of the critical business processes in the event of various disaster scenarios.

Your Bank has also put in place a Product and Process Approval Committee (PPAC), which covers the approval and risk evaluation process, of all the new products/ modifications to existing processes. Additionally, your Bank has also constituted Outsourcing Management Committee (OMC) to ensure effective due diligence and monitoring of your bank's outsourced activities on continuous basis.

CLIMATE RISK

Environmental events have the potential to affect the efficiency and effectiveness of markets, financial institutions and the economy at large. Today's risk environment is increasingly seeing impacts that were previously considered by financial institutions to be externalities becoming, more material. Thus, Your Bank has classified climate related risks as Transition Risks and Physical Risks.

Your Bank has identified transition risks as risks which arise from efforts to address environmental change, including but not limited to regulatory changes in policies, technological changes or shifts in investor sentiment and consumer behavior. Further, with rising awareness on Environment and Social (E&S) issues globally, countries have established robust E&S regulations that specify requirements for operating licenses, occupational health and safety standards, and emission/discharge limits. Stricter environmental regulations may affect some projects funded by the Bank, which in turn may affect repayment capability of the client and could also pose a reputational risk. Non-compliance to these standards may directly impact the financial and operational viability of companies, which also translates into risks for Banks. Your Bank through its Environmental & Social Policy (ESP) integrates Environmental & Social (E&S) risks assessment into its overall credit approval framework. The Bank has a dedicated E&S Risk team, which undertakes preliminary environmental & social due-diligence of the projects funded by the Bank. This helps ensure that all activities are environmentally and socially viable and compliant to the regulatory environmental and social standards as applicable or likely to be in force in the future

Further, physical risks are risks which arise from the impact of climatic (i.e. extremes of weather) or geologic (i.e. seismic) events. Extreme weather or geologic events, due to climate change increases the risk to the Bank's physical assets and poses a risk of service disruption. Your Bank is ISO 22301 certified, an International Business Continuity Standard, to manage its business continuity and has a robust Business Continuity Plan to manage any potential service disruptions

For more information on the Bank's positive impact climate finance, please refer to pages 62-65.

INTERNAL AUDIT

Your Bank's Internal Audit department performs independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, processes and procedures instituted by the management and extant regulations.

This function supports your Bank's role in safeguarding its assets. The function has adopted a Risk-based approach of Internal Audit (RBIA). The primary focus of the audit is on key risk areas, which are of substantial importance to the Bank. The RBIA approach has been thoughtfully structured taking into account the RBI

guidelines and internationally established practices. The Internal Audit department reports to the Managing Director & CEO for day-to-day activities and to the Audit Committee for Audit Planning & Reporting. Additionally, your 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 Credit Portfolio, Financial Markets, Operations, and Branches. All audit reports are circulated to the relevant management teams and the Audit and Compliance Committee of the Board.

Your Bank's Internal Audit department is ISO 9001:2008 certified (Quality Management System).

COMPLIANCE

Your Bank has institutionalized a strong compliance culture across the organization, pursuant to its strategic goals of transparency and trust, among all its stakeholders. Your Bank has a dedicated Compliance Department for ensuring regulatory compliance, across all its businesses and operations. The key functions of this department includes, dissemination of key regulatory updates affecting the various businesses of your Bank, review of new products and processes from a regulatory compliance perspective, provide guidance on compliance-related matters, impart training to employees on compliance aspects, among others. Your 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 RBI guidelines.

OVERVIEW OF FINANCIAL PERFORMANCE

KEY RATIOS:

Particulars	FY 2016-17	FY 2015-16
Return on average equity (%)	21.5%	19.9%
Return on average assets (%)	1.8%	1.7%
Earnings per share – Basic (₹)	78.89	60.62
Earnings per share – Diluted (₹)	76.77	59.31
Net interest Margin (%)	3.4%	3.4%
Book value per share (₹)	483.1*	327.8
Cost to income	41.4%	40.9%
Cost of funds	6.6%	7.2%
Capital Adequacy Ratio Basel III	17.0%	16.5%
Tier - I	13.3%	10.7%
Tier - II	3.7%	5.8%
Gross non performing advances (NPA) % to Total Advances	1.52%	0.76%
Net NPA % to Total Advances	0.81%	0.29%
CASA ratio.	36.3%	28.1%

*Without adjusting ₹ 12 (120%) dividend recommended by the Board. If dividend is adjusted, the Book value per share will be ₹ 468.7.

The Bank has continued to deliver on all key parameters with robust growth in net income, stable net interest margins, improving liability franchise with a CASA ratio of 36.3% (an improvement of 8.2% over March 31, 2016) and stable asset quality (excluding one-off item, expected to be recovered in the near term). This helped the Bank to generate strong shareholder returns with basic and diluted EPS increasing to ₹ 78.89 and ₹ 76.77 respectively, taking the book value up to ₹ 483.1.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

OPERATING PERFORMANCE

₹ in millions

Particulars	FY 2016-17	FY 2015-16	% change
Interest income	164,246.44	135,334.42	21.4%
Interest expense	106,273.37	89,667.19	18.5%
Net Interest Income	57,973.07	45,667.23	26.9%
Non interest Income	41,567.57	27,121.47	53.3%
Operating Revenue	99,540.64	72,788.70	36.8%
Operating expenses	41,165.41	29,763.71	38.3%
Operating Profit	58,375.23	43,024.98	35.7%
Provisions and contingencies	7,934.05	5,363.01	47.9%
Profit before tax	50,441.18	37,661.98	33.9%
Provision for tax	17,140.21	12,267.51	39.7%
Net Profit	**33,300.96**	**25,394.47**	**31.1%**

Net profit for FY 2016-17 increased by 31.1% to ₹ 33,300.96 millions as compared to ₹ 25,394.47 millions in FY 2015-16. Net Interest income (NII) of the Bank increased by 26.9% to ₹ 57,973.07 millions during FY 2016-17 as compared to ₹ 45,667.23 millions during FY 2015-16. The Net Interest Margin (NIM) was 3.4% in FY 2016-17. Non interest income consists of commission and fees income, trade and foreign exchange income and gain on sale of securities. Non-interest income increased by 53.3% from ₹ 27,121.47 millions in FY 2015-16 to ₹ 41,567.57 millions in FY 2016-17.

Operating expenses increased by 38.3% from ₹ 29,763.71 millions in FY 2015-16 to ₹ 41,165.41 millions in FY 2016-17. Key drivers of operating expense growth were continued investment in people, growing branch network of the bank and scaling up of retail asset and credit card business of the bank.

Provisions and contingencies (including tax) increased by 42.2% from ₹ 17,630.52 millions in FY 2015-16 to ₹ 25,074.27 millions in FY 2016-17.

NET INTEREST INCOME

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

₹ in millions

Particulars	FY 2016-17	FY 2015-16	% change
Interest income	164,246.44	135,334.42	21.4%
Interest expense	106,273.37	89,667.19	18.5%
Net Interest Income	**57,973.07**	**45,667.23**	**26.9%**
Net interest margin	3.4%	3.4%	

Net Interest income (NII) of the Bank increased by 26.9% to ₹ 57,973.07 millions during FY 2016-17 as compared to ₹ 45,667.23 millions during FY 2015-16. Increase in NII is on the back of improvement in CASA mix and increase in net interest earning assets.

NON-INTEREST INCOME:

₹ in millions

Particulars	FY 2016-17	FY 2015-16	% change
Commission, exchange and brokerage	31,399.55	24,591.69	27.7%
Profit on the sale of investments (net)	7,112.68	2,606.39	172.9%
Profit/(Loss) on sale of land, building and other assets	0.18	0.94	(80.7%)
Profit on exchange transactions (net)	1,018.90	(175.56)	680.4%
Miscellaneous income	2,036.25	98.01	1977.7%
	41,567.57	**27,121.47**	**53.3%**

Non-interest income consists of commission and fee income, income from transaction banking business, derivative and foreign exchange income, gain on sale of securities and other income. Non-interest income of the Bank increased by 53.3% to ₹ 41,567.57 millions during FY 2016-17 as compared to ₹ 27,121.47 millions during FY 2015-16. Increase in non-interest income is primarily due to increase in commission and fees income, higher flows in transaction banking business and gain on sale of securities.

OPERATING EXPENSES

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

₹ in millions

Particulars	FY 2016-17	FY 2015-16	% change
Payments to and provisions for employees (A)	18,050.43	12,968.02	39.2%
Other operating expense (B)			
Depreciation on own property (including non-banking assets)	1,712.52	1,105.55	54.9%
Other administrative expenses	21,402.46	15,690.14	36.4%
Operating expenses (A)+(B)	**41,165.41**	**29,763.71**	**38.3%**
Cost to income ratio	**41.4%**	**40.9%**	**-**

Non-interest expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Non-interest expenses increased by 38.3% from ₹ 29,763.71 millions in FY 2015-16 to ₹ 41,165.41 millions in FY 2016-17.

The Bank continued to make substantial investments in human capital, information technology and branch expansion to meet its growth targets. As a result, operating expenses increased by 38.3% from ₹ 29,763.71 millions in FY 2015-16 to ₹ 41,165.41 millions in FY 2016-17. Employee costs increased by 39.2% from ₹ 12,968.02 millions in FY 2015-16 to ₹ 18,050.43 millions in FY 2016-17, primarily due to the expansion of the branch network resulting in headcount increasing from 15,000 as at March 31, 2016 to 20,125 as at March 31, 2017. Employee costs accounted for 43.8% of our operating expenses for the FY 2016-17 compared to 43.6% for the FY 2015-16. Rent, taxes and lighting (other operating expenses) also increased by 24.4% to ₹ 3,791.82 millions in FY 2016-17 on account of the branch expansion to 1,000 as on March 31, 2017 from 860 as on March 31, 2016. 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 people and branches, the Bank maintained a satisfactory cost to income ratio of 41.4% for the FY 2016-17.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

PROVISIONS AND CONTINGENCIES

Provisions and contingencies increased by 42.2% from ₹ 17,630.52 millions in FY 2015-16 to ₹ 25,074.27 millions in FY 2016-17. The key components of provisions are provision for taxation of ₹ 17,140.21 millions (FY 2015-16: ₹ 12,267.51 millions), Provision on investments of ₹ 522.12 millions (FY 2015-16: ₹ 25.34 millions), Provisions for NPAs of ₹ 6,634.41 millions (FY 2015-16: ₹ 4,979.02 millions) and Provision for Standard Assets ₹ 831.40 millions (FY 2015-16: ₹ 381.56 millions).

FINANCIAL CONDITION

ASSETS

₹ in millions

Particulars	At March 31, 2017	At March 31, 2016	% change
Assets			
Cash and bank balances	195,494.44	82,184.25	137.9%
Cash and balances with RBI	*69,520.70*	*57,761.64*	*20.4%*
Balances with banks and money at call and short notice	*125,973.74*	*24,422.60*	*415.8%*
Investments	500,317.98	488,384.66	2.4%
*SLR investments**	*355,127.42*	*351,862.55*	*0.9%*
Non-SLR investments	*145,190.56*	*136,522.11*	*6.3%*
Advances	1,322,626.77	982,099.27	34.7%
In India	*1,262,286.76*	*967,109.46*	*30.5%*
Outside India	*60,340.00*	*14,989.81*	*302.5%*
Fixed assets	6,835.39	4,707.18	45.2%
Other assets	125,324.60	95,258.77	31.6%
Total	**2,150,599.18**	**1,652,634.12**	**30.1%**

* Includes investment in government securities, Banks in India are required to maintain a specified percentage, currently 20.5%, 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 30.1% from ₹ 1,652,634.12 millions at March 31, 2016 to ₹ 2,150,599.18 millions at March 31, 2017, primarily due to 34.7% increase in advances.

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 ₹ 82,184.25 millions at March 31, 2016 to ₹ 195,494.44 millions at March 31, 2017 primarily due to an increase in Balances with banks and money at call and short notice.

INVESTMENTS

Total investments increased by 2.4% from ₹ 488,384.66 millions at March 31, 2016 to ₹ 500,317.98 millions at March 31, 2017 primarily due to an increase in investments in government securities by ₹ 3,264.87 millions from ₹ 351,862.55 at March 31, 2016 to ₹ 355,127.42 at March 31, 2017.

ADVANCES

During FY 2016-17 the Bank recorded a growth of 34.7% in its loan book with advances increasing to ₹ 1,322,626.77 millions at March 31, 2017. Corporate Banking accounted for 67.7% of the Advances portfolio, while Retail & Business Banking (incl. MSME) constituted 32.3%.

Net advances of IFSC Banking Unit (IBU) in GIFT City increased from ₹ 14,989.81 millions at March 31, 2016 to ₹ 60,340.00 millions at March 31, 2017.

FIXED ASSETS AND OTHER ASSETS

Fixed assets (net block) increased by 45.2% from ₹ 4,707.18 millions at March 31, 2016 to ₹ 6,835.39 millions at March 31, 2017. The addition in fixed assets is primarily due to branch expansion to 1,000 as on March 31, 2017 from 860 as on March 31, 2016 and continued investment in technology. Other assets increased by 31.6% from ₹ 95,258.77 millions at March 31, 2016 to ₹ 125,324.60 millions at March 31, 2017.

FINANCIAL CONDITION

LIABILITIES

₹ in Million

Particulars	At March 31, 2017	At March 31, 2016	% change
Liabilities			
Capital	4,564.86	4,205.32	8.5%
Reserves and Surplus	215,975.74	133,660.67	61.6%
Deposits	1,428,738.57	1,117,195.33	27.9%
Current deposit accounts	*190,878.20*	*109,250.77*	*74.7%*
Saving Account	*327,818.30*	*204,176.99*	*60.6%*
CASA	*518,696.50*	*313,427.76*	*65.5%*
Term Deposit	*910,042.07*	*803,767.58*	*13.2%*
Borrowings	386,066.73	316,589.77	21.9%
Borrowing in India	*225,174.46*	*210,459.83*	*7.0%*
Borrowings outside India	*160,892.27*	*106,129.94*	*51.6%*
Other liabilities and provisions	115,253.29	80,983.03	42.3%
Total	**2,150,599.18**	**1,652,634.12**	**30.1%**

EQUITY CAPITAL AND RESERVE AND SURPLUS

Share capital of the bank increased from ₹ 4,205.32 millions as at March 31, 2016 to ₹ 4,564.86 millions as at March 31, 2017. During the financial year ended March 31, 2017, the Bank has issued 32,711,000 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 1,500.00 per equity share aggregating to ₹ 49,066.50 millions. The Bank also issued 32,43,172 shares pursuant to the exercise of employee stock options (ESOPs) aggregating to ₹ 1,010.12 millions.

Reserves and Surplus increased from ₹ 133,660.67 millions as at March 31, 2016 to ₹ 215,975.74 millions as at March 31, 2017. Increase in Reserve and Surplus is due to accretion of profits and Share Premium received on issue of QIP and exercise of ESOPs.

DEPOSITS

Deposits increased by 27.9% from ₹ 1,117,195.33 millions at March 31, 2016 to ₹ 1,428,738.57 millions at March 31, 2017. Term deposits increased by 13.2% from ₹ 803,767.58 millions at March 31, 2016 to ₹ 910,042.07 millions at March 31, 2017, while savings account deposits increased by 60.6% from ₹ 204,176.99 millions at March 31, 2016 to ₹ 327,818.30 millions at March 31, 2017 and current account deposits increased by 74.7% from ₹ 109,250.77 millions at March 31, 2016 to ₹ 190,878.20 millions at March 31, 2017. 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 ₹ 313,427.76 millions at March 31, 2016 to ₹ 518,696.50 millions at March 31, 2017. Total deposits at March 31, 2017 constituted 78.7% of the funding (i.e., deposits and borrowings). The Bank's CD ratio stood at 92.6% as at March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

BORROWINGS

Borrowings increased by 21.9% from ₹ 316,589.77 millions at March 31, 2016 to ₹ 386,066.73 millions at March 31, 2017 primarily due to an increase in foreign currency borrowings on account of IBU operations, Basel III Compliant AT-1 bonds issuance and issuance of infrastructure bonds.

OTHER LIABILITIES

Other liabilities increased by 42.3% from ₹ 80,983.03 millions at March 31, 2016 to ₹ 115,253.29 millions at March 31, 2017.

REGULATORY CAPITAL

In line with the RBI circular on Basel III Capital Regulations, currently for computing capital requirement, your 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.

₹ in millions

Capital Adequacy Ratios	At March 31, 2017	At March 31, 2016
Total capital ratio (CAR) out of the above	17.0%	16.5%
- CET1	11.4%	10.3%
- Tier I Capital	13.3%	10.7%
- Tier II Capital	3.7%	5.8%

As per Basel III norms, your Bank had a capital adequacy ratio of 17.0% as at the end of March 31, 2017. As per Basel-III, Tier-I capital ratio was 13.3% and the Tier-II capital ratio was 3.7% as at March 31, 2017. The bank had raised ₹ 49,066.50 millions through QIP and ₹ 30,000.00 millions of Basel III compliant AT-1 bonds which helped in strengthening the capital adequacy of the bank.

SUBSIDIARY PERFORMANCE

YES Securities (India) Limited (YSIL) is the Bank's Broking and Investment Banking subsidiary. During FY 2016-17 profit after tax of YSIL increased from loss of ₹ 97.58 millions in FY 2015-16 to profit of ₹ 97.89 millions in FY 2016-17. Total revenue of YSIL increased by 161% from 244.51 millions during FY 2015-16 to 637.90 millions in FY 2016-17.

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. For banking companies, the implementation of Ind AS will begin from April 1, 2018 onwards, with comparatives for the year beginning April 1, 2017. The Ind AS quarterly financials of FY 2017-18 will need to be published as YoY comparison from June 2018 onwards.

As per RBI directions, your Bank has taken following steps so far:

- Submitted Proforma Ind AS financial statements to the RBI for the half-year ended September 30, 2016, as required.
- Yes Bank has 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.

Your Bank will continue to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation.

SWOT ANALYSIS

STRENGTHS

Your Bank has displayed strong financial performance each year across the macroeconomic cycles while withstanding domestic and global adversities. This is given the Bank's focus on Knowledge Banking, superior Human Capital and its commitment to provide outstanding service and delivery experience to its customers.

Total Assets and Net Profit have increased with a healthy CAGR of 21.4% and 26.5% respectively showcasing strong growth and consistency. Going forward, your Bank is committed to replicate the success of the corporate business into Retail businesses as well.

In spite of such higher than market growth and macroeconomic challenges which the banking industry has been impacted by, your bank has been able to maintain a healthy Asset Quality consistently over the past many years. It is reflective of the bank's robust Risk Management approach and well defined controls, checks and processes that your bank has developed since inception, hereby protecting Shareholder's interest. Your Bank had delivered RoA (annualized) at or above 1.5% and RoE (annualized) around 20%, over last eight years.

Low Liquidity which was once a weakness for your Bank is now a key Strength as CASA Ratio has grown with CAGR of 42.2% to 36.3% as on March 31, 2017. This is a result of increase in national presence and investment in Technology resulting in development of new Digital Channels, well established brand, expanding franchise and technology innovations.

Your Bank has demonstrated time and again its ability to raise Capital. During the FY 2016-17 your bank successfully raised ₹ 30.0 Billion Additional Tier (AT) 1 capital and QIP issue of USD 750 millions, which was the largest Private Sector Issue in INR terms, demonstrating its ability to raise capital across various macroeconomic cycles.

Your Bank is also committed to provide outstanding service delivery and quality experience to its customers through our new age technology platforms and continuously evolving digital channels. These alternative digital channels increase efficiency, improve service, enhance customer experience as well as reducing operative costs in the long run. Your bank has been the First to create UPI compliant Mobile integrations for merchants and also to launch First wallet on BOT. Your Bank was the 1st to implement API Banking in 2015, and is now partnering with corporates and startups to offer 'Banking-as-a-Service" and allow the customers to build their own solutions using Your Bank's expertise. Your Bank's endeavor is to become one of the technology and digital pioneers of the industry.

Last but not the least, your Bank's performance is attributable to the finest human capital and talented management cadre. Your Bank has always emphasized on 'Knowledge' as a key differentiator and over the years has developed finest human and intellectual capital by equipping executives with skills and knowledge through initiatives viz. Yes School of Banking. Your Bank has a total of 20,125 employees as on March 31, 2017 with an average age of 31 years. The average vintage for Top Management is 6 years, while for Senior Management is 7 years showcasing the longevity and commitment of its exceptional management cadre.

WEAKNESS

In spite of demonstrating consistent growth over the years, your bank is still a relatively small player in the Indian Banking industry with market share of 1.7% in Advances and 1.3% in Deposits. However, the market share as well as mind share is increasing rapidly on account of strategic investments made by your bank in Technology, Human Capital and Infrastructure. The

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

bank's success is attributable to its differentiated Knowledge Banking and customer first approach.

A high share of your bank's Advances book comes from Corporate clientele which represents the over dependence on the slowly growing corporate sector. However, the Retail & SME Advances book is gaining the share with manifold times on account of increase in national presence. With launch of exhaustive range of Credit Cards, your bank now offers a complete suite of retail products.

Your Bank has less number of branches when compared to its peers, it being a younger bank. However, the national footprint is increasing considerably with total number of branches at 1000 across key liability corridors as on Mar 31, 2017. Superior technology coupled with new digital platforms will also help your bank continue with its expansion strategy. Your bank's branch network also has a targeted focus on Rural and Inclusive Banking strategy.

Being a relatively new player, the Brand awareness of your bank is lower than its peers. However the same is increasing among retail customers at a considerable pace through appropriate media campaigns, expanding its branch network and ATM base, and thereby augmenting its customer base at a rapid pace. The increase in Brand awareness is demonstrated by the fact that your bank is highest followed bank on Twitter and Instagram and Second highest followed bank on Facebook.

Your bank has minimal International presence which has limited the Bank's ability to raise low- cost foreign currency funding, and pursue international trade finance opportunities. However, the International Banking Unit at GIFT city, Gujarat which commenced operations in October, 2015 has achieved Balance Sheet size of more than USD 1 billion and is the first Bank to achieve this key milestone. This has significantly enhanced your Bank's International Banking product offerings for corporate clientele hereby enabling long-term Foreign Currency Fund raising at competitive rates.

OPPORTUNITIES

The Indian economy has been steadily consolidating over the last few years. The combination of a healthy growth-inflation balance coupled with reducing twin deficits has provided a solid framework for executing structural reforms. Policy focus on micro, macro, institutional, administrative, and behavioral reforms is evolving towards an environment for enhancing ease of doing business. In the near to medium term, domestic demand is expected to improve with support from implementation of 7th Pay Commission and IMD's forecast of a normal monsoon outturn in 2017. External demand has also started to pickup with improvement in growth conditions across the world, especially in advanced economies. Meanwhile, investment activity, which has remained subdued so far, could now start witnessing revival with lagged impact of past monetary easing and budgetary support for public capex. Moreover, investments are also expected to start benefitting from the implementation of Insolvency and Bankruptcy Code and GST. The withdrawal of legal tender character of high denomination bank notes by the RBI in 2016 is expected to gradually start diverting informal economic activities to the formal net, thereby benefitting government revenue collection and financial savings. Less dependence on currency for economic transactions will also lower operational costs for the financial sector and boost economic efficiency in the longer run.

Further, India has leapfrogged into the era of innovation in banking by adopting the latest in technology. Demonetization has pushed India towards a cashless society, and hence innovation and disruptions are key to meet fast-changing demands from customers. As the mobile-first strategy was adopted widely, we are seeing digital technologies evolving at an unprecedented rate. To keep pace, this year will see evolution of services on a gamut of connected devices and wearables. Apps, while still widely used, are not the only channel for customer interaction. Today your bank has chat bots on mobile phones that can engage with customers in a more interactive manner. Digital is disrupting value chains and compelling to rethink everything. From automated robot advisers to a global digital ledger, the financial landscape is transforming

before our eyes. Disruptive technologies such as Big Data, Blockchain, Artificial Intelligence (AI), IoT are changing the face of business.

Given the improving macroeconomic situation locally as well as globally provides a great opportunity for our existing and well established corporate businesses to improve further at a rapid pace. Demonetization and the focus on digital has also created some good opportunities for our retail business franchise to flourish. Your bank has thrived during periods of disruptions since inception and its endeavor is to continue to do so.

THREATS

Private investment currently remains tepid amid excess capacities, stressed balance sheets and excessive leverage especially in infrastructure companies, thereby resulting in stressed assets in the banking sector. Despite government's efforts at faster clearances of projects, non conducive market conditions and lack of promoter interest are holding back a sustained recovery in investment demand. With evidence of populism across some of the key developed economies, the threat of trade protectionism has risen considerably in the last few months. This could provide considerable uncertainty for both merchandise and services exports from India. Meanwhile, rupee has been one of the outperformers among emerging market currencies with 2017 YTD appreciation of 5.5% against the dollar - further strength could potentially result in some loss of competitiveness in global export market.

DIRECTORS' REPORT

To the Members,
Your Directors are pleased to present the Thirteenth Annual Report on business and operations of your Bank together with the audited accounts for the year ended March 31, 2017.

BUSINESS OVERVIEW AND OUTLOOK

Your Bank performed well in Financial Year (**'FY'**) 2016-17 with a net profit of ₹ 33,300.96 millions which is an increase of 31.1% from FY 2015-16. Your Bank showed continued acceleration and momentum in building a strong liability franchise with CASA ratio at 36.3% at the end of FY 2016-17. Your Bank has also completed its Retail Assets Product Suite and remains focused on increasing diversification in advances by growing the Retail and SME book. In terms of Human Capital strength, your Bank has achieved a significant milestone in FY 2016-17 by crossing the 20,000 mark.

Your Bank's branch network stood at 1,000 branches and 1,800+ ATMs (including Bunch Note Acceptors) as on March 31, 2017. Your Bank is also in the process of commissioning its single largest National Centralised Operations Management & Service Delivery facility in Ambattur, Chennai. Your Bank has adopted an 'Alliances, Relationships & Technologies – ART' approach to Banking by building strong relationships with firms across multiple domains including Fintech, Responsible Banking, Human Capital and leveraging their innovations to provide a superior Banking experience.

STATE OF THE AFFAIRS OF THE BANK

FY 2016-17 was a significant year in your Bank's lifecycle. Your Bank continued on its consistent performance with Profit after Tax (**'PAT'**) growing to ₹ 33,300.96 millions from ₹ 25,394.47 millions showing a Y-o-Y growth of 31.1%.

On March 31, 2017, your Bank successfully issued 32,711,000 Equity shares by way of Qualified Institutions Placement at a price of ₹ 1,500.00 per equity share aggregating to ₹ 49,066.50 millions (approx. USD 750 millions) resulting in dilution of 7.2% on the expanded capital base. The Bank's Total Capital Adequacy has increased to 17.0 % & Tier I Capital to 13.3%, ensuring that the Bank is well positioned for growth. Further, during FY 2016-17, your Bank raised **₹ 30,000 millions of Basel III Compliant Additional Tier-1 ('AT1') Bonds** through private placement. The Bonds were listed on the BSE Limited and its proceeds **qualify for Basel III Tier-I Capital**. The Bonds have been rated as CARE **AA (Stable Outlook)** by Credit Analysis and Research Limited **('CARE'), ICRA AA (Hyb), Stable** by ICRA Limited **('ICRA')** and **IND AA (Stable Outlook)** by India Ratings & Research - A Fitch Group Company **('India Ratings')**.

Your Bank continued its leadership in Green Infrastructure Bonds and raised **₹ 3,300 millions (approx. USD 50 millions equivalent)** through an issue of a 7-year Green Infrastructure Bonds to **FMO, the Dutch Development Bank, on a private placement basis**. FMO invested in your Bank's bonds through FMO's own sustainable bonds. This was FMO's 1st investment in a Green Bonds in India. This was the third such green bond issuance by your Bank after the highly successful maiden issuance of ₹ 10,000 millions (USD 160 millions equivalent) in February 2015 followed by ₹ 3,150 millions (USD 50 millions equivalent) private placement to International Finance Corporation (**'IFC'**), Washington in August 2015.

Your Bank also successfully raised ₹ 21,350 millions of Senior Long-term Infrastructure Bonds. The issue was rated **ICRA AA+** by ICRA and CARE AA+ by CARE.

Your Bank signed an MoU for a USD 50 millions loan from IFC, Washington, to be used exclusively to lend to women-owned businesses. This project is part of the Women Entrepreneurs Opportunity Facility ('WEOF'), the first-of-its-kind global facility dedicated to expanding access to capital for approximately 100,000 women entrepreneurs.

Your Bank was the first bank in India to commence the operations at International Financial Services Centre **('IFSC')** at GIFT City, Gujarat (**'IBU'**). Setting up of an IFSC in India has been the vision of Hon'ble Prime Minister of India, as this would be a major game changer for the financial services sector in India. In FY 2016-17, your Bank's IFSC gained significant momentum as a

specialized knowledge sectors focussed IBU of YES BANK and has reached the milestone of USD 1 billion balance sheet size as on March 31, 2017. A banking unit at GIFT IFSC (IBU) is equivalent to a foreign branch and is a significant development in overall augmentation of your Bank's business model whereby your Bank will be in a position to provide comprehensive solutions for its client's foreign currency banking requirements. The opening of an IBU has boosted YES BANK's Cross Border Trade offerings, External Commercial Borrowings, Foreign Currency loans/syndications and offshore M&A funding business among others. With the Govt. of India announcing various incentives, to propel the growth of IFSC, this will provide further impetus to your Bank's operations in GIFT City.

Further information on the Business overview and outlook and State of the affairs of your Bank is discussed in detail in the Management Discussion & Analysis section.

There is no change in the nature of business of your Bank for the year under review.

FINANCIAL PERFORMANCE (STANDALONE)

₹ in millions

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Deposits	1,428,738.57	1,117,195.33
Borrowings	386,066.73	316,589.77
Advances	1,322,626.77	982,099.27
Total Assets/Liabilities	2,150,599.18	1,652,634.12
Net Interest Income	57,973.07	45,667.23
Non-Interest Income	41,567.57	27,121.47
Operating profit	58,375.23	43,024.98
Provisions and Contingencies	7,934.05	5,363.01
Profit before Tax	50,441.18	37,661.98
Provision for taxes	17,140.21	12,267.51
Net Profit	33,300.96	25,394.47
Add: Surplus/(Deficit) brought forward from last period	55,446.80	42,200.51
Amount available for appropriation	88,747.77	67,594.97
APPROPRIATIONS		
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	8,325.24	6,348.62
Capital Reserve	1,083.00	734.83
Investment Reserve	-	-
Proposed Dividend and Tax thereon*	-	5,061.52
Adjustment to earlier year dividend and tax thereon	5.61	3.21
Surplus carried to Balance Sheet	79,333.91	55,446.80
KEY PERFORMANCE INDICATORS		
Net Interest Margin	3.4%	3.4%
Return on Annual Average Assets	1.8%	1.7%
Return on Equity	21.5%	19.9%
Cost to Income Ratio	41.4%	40.9%

* Bank has not accounted for proposed dividend as a liability as at March 31, 2017 as per revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date'. Proposed Dividend was however accounted for as a liability as at March 31, 2016 in line with the existing accounting standard applicable at that time.

DIRECTORS' REPORT (CONTD.)

Your Bank posted Net Revenues (Net Interest Income and other income) of ₹ 99,540.64 millions and Net Profit of ₹ 33,300.96 millions for FY 2016-17. The Net Revenues and Net Profit for FY 2015-16 was ₹ 72,788.70 millions and ₹ 25,394.47 millions respectively. Appropriations from the Net Profit have been made 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

Your Bank is rewarding its shareholders by way of consecutive cash dividends considering the consistent financial performance of your Bank and promising future prospects while retaining capital to maintain a healthy Capital Adequacy Ratio and to support future growth. In view of the excellent financial performance of your Bank and in continuance of the earlier trends of cash dividends, the Board of Directors have recommended Dividend at a rate of ₹ 12 per equity share of ₹ 10 each for the year ended March 31, 2017 for approval by the Shareholders at the 13th Annual General Meeting as against ₹ 10 per equity share for the previous year ended March 31, 2016. This dividend shall be subject to tax on dividend to be paid by the Bank. This reflects our confidence in your Bank's ability to consistently grow earnings over time.

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, 2017:

₹ in millions

Amount transferred to	**Amount**
Statutory Reserve	8,325.24
Capital Reserve	1,083.00
Investment Reserve	-

CAPITAL RAISING & CAPITAL ADEQUACY RATIO (CAR)

During the financial year ended March 31, 2017, your Bank has successfully completed capital raising by way of Qualified Institutions Placement (**'QIP'**) raising ₹ 49,066.50 millions by issuing 32,711,000 equity shares of ₹ 10 each at an issue price of ₹ 1,500 per equity share including premium of ₹ 1,490 per equity share. The Bank accreted ₹ 48,239.39 millions (net of share issue expenses of ₹ 500 millions) as premium, on account of QIP. The Bank also issued 3,243,172 shares pursuant to the exercise of stock option aggregating to ₹ 1,010.12 millions. Overall, 35,954,172 equity shares were issued by your Bank during financial year.

Post allotment of equity shares as aforesaid, the issued, subscribed and paid-up share capital of your Bank stands at ₹ 4,564,858,130 comprising of 456,485,813 equity shares of ₹ 10 each as on March 31, 2017.

Your Bank has not issued any equity shares with differential voting rights during the year.

During the year, your Bank raised ₹ 30,000 millions through private placement by issue of 9.50% Listed Rated Perpetual Subordinated Unsecured BASEL III compliant Additional Tier I Bonds in the Form of Debentures. Your Bank has also issued ₹ 24,650 millions through infrastructure bonds.

In line with the RBI circular on Capital Adequacy Framework, your Bank has computed capital charge for operational, market and credit risk and its Capital Adequacy Ratio as per Basel III accord as at March 31, 2017.

Your Bank is well capitalised with a Capital Adequacy Ratio of 17.0% as at March 31, 2017; of which Tier I Capital Ratio was 13.3% and Tier II Capital Ratio was 3.7%.

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 your Bank.

AWARDS AND RECOGNITIONS

During the year under review, your Bank was recognized in various ways/by various institutions and some of the key awards presented to the Bank are listed below:

- YES BANK has been recognized as the 'Best Mid-Sized Bank' in the 21st edition of the Business Today - KPMG India's Best Banks study. This is the 8th year in a row, where YES BANK has been awarded by Business Today in its annual Banking survey for growing robustly, embracing technology, innovating and reaching out to people at the bottom of the pyramid.

- YES BANK has been adjudged as Asia's Best Bank for Corporate Social Responsibility at the Euromoney Excellence Awards 2016 held in Hong Kong.

- YES BANK has been adjudged the Best Bank in Asia Pacific for Payments and Collections by Global Finance, a leading international business magazine headquartered in New York.

- YES BANK won the award for The Best Technology Bank of the Year in the medium banks category, at the Indian Banks' Association's (IBA) Banking Technology Awards 2017, in Mumbai.

- YES BANK won 2 awards at The Asset Triple A Asia Infrastructure Awards 2016, Hong Kong:

  - Best Energy/Renewable Energy Deal – Solar, India for Porbandar Solar Power ₹ 1,260 millions non-convertible debentures, in which YES BANK acted as sole underwriter.

  - Best Green Bond Facility within highly commended category in India, for IFC's ₹ 3,150 millions green infrastructure bonds on the back of YES BANK's domestic green bond issuance.

- YES BANK made its maiden entry into the Forbes Global 2,000 List of World's Top Companies 2016. YES BANK was the youngest Indian Company on the Forbes 2,000 List and also one of the youngest Banks in the World on this prestigious list.

- YES BANK was recognized among India's Best BFSI Brands by Economic Times Best BFSI Brands 2016.

- YES BANK received multiple awards at The Asian Banker Awards 2016:

  - Best Trade Finance Bank in India;

  - Best Corporate Payments Project in India for API Banking implementation for Snapdeal, one of India's leading e-commerce players.

- YES BANK received the Best Bank (midsized) Award for Cyber Defence from RBI Governor Dr. Raghuram Rajan at the IDRBT Banking Technology Excellence Awards 2016.

- YES BANK was adjudged Strongest Bank in India (by balance sheet) – 2015 by The Asian Banker, Hong Kong. This is the 4th time in the last 5 years that YES BANK has been recognized at these global awards.

- YES BANK has been adjudged the Global winner in 'Payments' Category by The Banker magazine, London (part of the Financial Times Group) at The Banker Transaction Banking Awards 2016.

- YES BANK won the Porter Prize 2016 for Leveraging Unique Activities. The citation recognizes YES BANK's outstanding performance in the industry and to recognize its effective rendering of activities across the value chain that created competitive advantage.

- YES BANK has won Ethical Corporation Responsible Business Award 2016, London in the 'Most Effective Domestic Community Investment' category for its program on providing Access to Clean & Safe Drinking Water.

- YES BANK was the sole Indian Bank to be recognized by Global Finance magazine as part of its Digital Banks of Distinction Awards 2016 in the Corporate/Institutional Banking Category.

DIRECTORS' REPORT (CONTD.)

- YES School of Banking (the Learning & Development unit of YES BANK) has been awarded dual international certification in ISO 9001:2008 and ISO 29990:2010, making it the first Learning & Development function in the Indian banking sector to be recognized by this highest level of quality management system.

- YES BANK has won the Reuters Most Accurate Forecaster Award for 2016 for the Indian economy for providing most accurate predictions of economic indicators in Reuters Poll in January 2016.

- YES BANK received the Commendation Certificate for Significant Achievement in Environment Management at the CII ITC Sustainability Awards 2016 for innovative approaches, including policy and practice, to reduce the Bank's environmental impact in December, 2016.

- YES BANK was conferred the SKOCH Resilient India Award (Gold) for Innovative Methods of Training in Bancasurrance at the 48th SKOCH Summit in December, 2016 in New Delhi.

- YES BANK won the Good Corporate Citizen Award 2016 in the 'Banking and Financial Companies' category by Bombay Chamber of Commerce and Industry for manifesting corporate social responsibility towards civic communities and operational excellence, and embedding social and economic dimensions of sustainability in programmes and practices in October, 2016.

- YES BANK won the prestigious 'Golden Peacock Award for Sustainability, 2016', for its nature, scope, and effectiveness of social and economic dimension of sustainability programs and practices, at the Institute of Director's 16th London Global Convention on Corporate Governance and Sustainability held in London in December, 2016.

- YES BANK was awarded Certificate of Appreciation in Environment Excellence at the 10th Environment Partnership Summit and Environment Excellence Award 2016 in Service Industry category by Indian Chamber of Commerce, Kolkata in December, 2016.

- YES BANK's Sustainability Report was Highly Commended as Asia's Best Integrated Report at the Asia Sustainability Reporting Awards 2016 by CSR Works International, Singapore in November, 2016.

EMPLOYEES STOCK OPTION SCHEME

Your Bank has instituted Stock Option Plans to enable its employees to participate in your Bank's growth and financial success. Your Bank provides its employees a platform for participating in important decision making and instilling long term commitment towards growth of the Bank by way of rewarding them through Stock Options. In terms of the 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 Four Employee Stock Option Schemes in operation 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); and
- YBL JESOP V/PESOP II (consisting of three sub schemes JESOP V/PESOP II/ PESOP II -2010).

The Employee Stock Option Plans are administered by the Nomination & Remuneration Committee of the Board of the Bank.

The details of vesting of various schemes are as follows:

ESOP Schemes	Vesting Period
JESOP II	50% at the end of 3rd year and balance at the end of 5th year from the Grant date.
JESOP III	50% at the end of 3rd year and balance at the end of 5th year from the Grant Date.
JESOP IV	50% at the end of 3rd year and balance at the end of 5th year from the Grant date.
JESOP V	50% at the end of 3rd year and balance at the end of 5th year from the Grant Date.
PESOP I	25% at the end of each year from the Grant Date.
PESOP II	30%, 30% & 40% at the end of 1st year, 2nd year and 3rd year respectively from the Grant Date.
PESOP II - 2010	30%, 30% & 40% at the end of 3rd year, 4th year and 5th year respectively from the Grant Date.

During the year, all new grants have been made in YBL JESOP V and YBL PESOP II – 2010 and grants under PESOP-II has been discontinued w.e.f. January 20, 2010. The Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. Source of shares are primary in nature, since your Bank has been issuing new equity shares upon exercise of options.

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.

No stock options were issued to the Directors of your Bank.

Various details including option movement during the year under Schemes i.e. JESOP II, JESOP III, YBL ESOP and YBL JESOP V/PESOP II respectively are as follows:

DIRECTORS' REPORT (CONTD.)

Particulars	JESOP II	JESOP III	YBL ESOP		YBL JESOP V/PESOP II		
			YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP -II 2010
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*
Total No. of Options approved	5,000,000	5,000,000	5,000,000	5,000,000	9,500,000	15,228,000	20,272,000
Total No. of options outstanding at the Beginning of the period	-	13,000	119,768	214,465	4,456,232	1,138,135	13,384,420
Total No. of Options granted (during FY 2016-17)	-	-	-	-	821,500	-	872,050
The Pricing Formula	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 2016-17)	-	-	-	-	850,700	-	2,766,750
Options Exercised (during FY 2016-17)	-	13,000	46,308	81,500	957,727	132,000	2,012,637
Total No. of shares arising as a result of exercise of option	-	13,000	46,308	81,500	957,727	132,000	2,012,637
Options lapsed/ Forfeited (during FY 2016-17)	-	-	-	-	270,475	-	422,500
Total No. of options exercisable at the end of the year	-	-	73,460	132,965	751,030	1,006,135	3,388,833
Total No. of options outstanding at the end of the year	-	-	73,460	132,965	4,049,530	1,006,135	11,821,333
Variation in terms of options	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
Money realized by exercise of Options (during FY 2016-17) (in ₹)	-	1,195,775	10,655,180	13,964,718	313,328,858	15,880,648	655,099,337
(i) Total No. of Options granted to Senior Management Personnel (SMP)	Nil	Nil	Nil	Nil	50,000 (as per Sub-table 1)	Nil	170,500 (as per 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	Nil	Nil	Nil	Nil	(as per Sub-table 2)	Nil	(as per Sub-table 2)

Particulars	JESOP II	JESOP III	YBL ESOP		YBL JESOP V/PESOP II		
			YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP -II 2010
(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
Diluted Earnings Per Share (**'EPS'**) of the Bank after considering the effect of potential equity shares on account of exercise of Options	76.77						
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, 2017 and March 31, 2016. 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 ₹ 464.49 millions (Previous year: ₹ 414.23 millions), the basic earnings per share would have been ₹ 77.79 (Previous year: ₹ 59.63) per share instead of ₹ 78.89 (Previous year: ₹ 60.62) per share; and diluted earnings per share would have been ₹ 75.70 (Previous year: ₹ 58.34) per share instead of ₹ 76.77 (Previous year: ₹ 59.31) per share.						
Weighted average Share/ Exercise Price of the shares exercised during the year (in ₹)	-	91.98	230.09	171.35	327.16	120.31	325.49
Weighted average fair values/price of the outstanding options (in ₹)	-	-	179.62	164.59	655.93	125.24	522.41

** The options 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:

	March 31, 2017
Risk free interest rate	6.29%-9.23%
Expected life	1.5 yrs-7.5 yrs
Expected volatility**	25.01%-50.67%
Expected dividends	1.5%

**Expected Volatility is the last one year average volatility.

Note 1: Being the closing price 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, 2017.

DIRECTORS' REPORT (CONTD.)

Sub-table 1: Following are the total number of stock options that have been granted to Senior Management Personnel (SMP) during the financial year ended March 31, 2017:

Scheme	Name of Employee	Designation	Options Granted	Grant Price (₹)
JESOP V	Amit Sanan	Group President	50,000	1,254.70
PESOP II - 2010	Amit Shah	Senior President	15,000	1,254.70
PESOP II – 2010	Ashish Agarwal	Senior Group President	50,000	1,254.70
PESOP II – 2010	Akash Suri	President	15,000	1,254.70
PESOP II – 2010	Rajat Mehta	Senior President	15,000	1,254.70
PESOP II – 2010	Aseem Gandhi	Senior President	25,000	1,254.70
PESOP II – 2010	Neelesh Sarda	Senior President	15,000	1,254.70
PESOP II – 2010	Punit Malik	Group President	15,000	1,254.70
PESOP II – 2010	Shubhada Rao	Group President	7,500	1,254.70
PESOP II – 2010	Niranjan Banodkar	Senior President	13,000	1,254.70

Sub-table 2: Following are the details of the employee who have received a grant of options amounting to 5% or more of options granted during the financial year ended March 31, 2017.

Scheme	Name of Employee	Designation	Options Granted	Grant Price
JESOP 5	Bhadresh Pathak	Senior President	50000	865.05
JESOP 5	Sai Giridhar	Senior President	50000	1117.60
JESOP 5	Taranbir Singh	Senior President	45000	1254.70
JESOP 5	Amit Sanan	Group President	50000	1254.70
PESOP II - 2010	Ashish Agarwal	Senior Group President	50000	1254.70
PESOP II - 2010	Lata Dave	Senior President	50000	1254.70

SUBSIDIARY COMPANY

As on March 31, 2017, your Bank has one Subsidiary, YES Securities (India) Limited (**'YSIL'**).

PERFORMANCE AND FINANCIAL POSITION OF YSIL

YSIL successfully completed its fourth full financial year of operations in March 31, 2017.

During FY 2016-17, YSIL earned a total revenue of ₹ 637.90 millions against ₹ 244.51 millions in the previous year. YSIL earned a profit of ₹ 97.89 millions in FY 2016-17.

YSIL has two business segments namely Retail Broking and Investment Banking & Merchant Banking, which are explained as under:

RETAIL BROKING:

In keeping with the Bank's customer-centric approach to developing product and service solutions, YSIL's Retail Broking business offers the Bank's growing base of retail and wealth category customers a strong 3-in-1 account proposition, a comprehensive portfolio of investment products and a robust online, mobile and call-n-trade execution platform. YSIL customers benefit from the convenience of a streamlined banking and investment experience that links a Current/ Savings Account and a Demat account from your Bank, and a Trading account from YSIL.

During the FY 2016-17, YSIL's Retail Broking business further sharpened its long term strategy of building a formidable wealth-focused franchise in line with the broader wealth management strategy of the Bank. To

enhance client stickiness and deepen relationships, YSIL made enhancements to its product and service proposition such as launch of Equity SIP, online subscription to IPOs, deployment of a dedicated HNI dealing desk and introduction of value-linked brokerage plans. YSIL's average monthly retail trading volume grew by 130% to ₹ 4,440 millions in FY 2016-17. Retail Broking revenue increased to ₹ 45.65 millions translating to a year-on-year growth of 118%.

Additionally, YSIL proactively assisted its clients to invest in new products like Government of India's Sovereign Gold Bonds and the CPSE ETF. During the year, YSIL's Retail Research desk was acknowledged by Zee Business with India's Best Market Analyst Award in the Initial Public Offerings (**'IPO'**) category.

INVESTMENT BANKING & MERCHANT BANKING

The Investment Banking team provides 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.

The Merchant Banking team provides Capital Market products such as Initial Public Offerings (IPO), Qualified Institutions Placements (QIP), Public Debt Offerings, Rights Issues and other structured offerings to leading Indian companies at each stage of the capital life-cycle.

YSIL's highly-experienced teams offer expertise across a variety of sectors including Food & Agri business, Media & Entertainment, Internet & E-Commerce, Consumer Markets, Infrastructure & EPC, BFSI, Industrials and Logistics to corporate clients. YSIL's Investment and Merchant Banking businesses closed 22 transactions in FY 2016-17. Some of the representative transactions consummated by the team during the year under review include:

- Exclusive strategic and financial advisor to Travel Food Services Private Limited for divesting 49% stake to SSP Group plc;
- Exclusive strategic and financial advisor to Fonroche Energie for sale of its 22.3 MW solar plant to Hinduja Group;
- Book Running Lead Manager to the ₹ 11.0 billions IPO of Varun Beverages Limited;
- Book Running Lead Manager to the ₹ 7.5 billions QIP of Bharat Financial Inclusion (erstwhile SKS Microfinance Limited);
- Lead Manager to the ₹ 70 billions public issue of NCDs of Indiabulls Housing Finance Limited;
- Lead Manager to ₹ 30 billions public issue of NCDs of Reliance Home Finance Limited;
- Lead Manager to ₹ 140 billions public issue of NCDs of Dewan Housing Finance Corporation Limited.

RATINGS OF VARIOUS DEBT INSTRUMENTS:

During the year under review, your Bank issued ₹ 54,650 millions rated listed unsecured Bonds in the nature of Debentures. These Bonds were rated by various rating agencies namely, Credit Analysis and Research Limited (**'CARE'**), by ICRA Limited (**'ICRA'**) and India Ratings & Research Pvt. Ltd. (**'India Ratings'**) - A Fitch Group Company etc. and Bond details as well as the ratings were as under:

i. Your Bank issued 21,350 Senior Unsecured Listed Rated Redeemable Long-Term Bonds in the nature of Debentures of a Face Value of ₹ 10,00,000/- each aggregating to ₹ 21,350 millions on September 30, 2016 and the issue was rated by CARE and by ICRA. CARE assigned a rating of 'CARE AA+; Stable' and ICRA assigned a rating of 'ICRA AA+; Stable'.

ii. Your Bank issued 30,000 Rated listed unsecured perpetual subordinated Basel III compliant Additional Tier I (AT-1) bonds in the nature of Debentures of a Face Value of ₹ 10,00,000/- each aggregating to ₹ 30,000 millions on December 23, 2016 and the issue was rated by CARE, ICRA and

DIRECTORS' REPORT (CONTD.)

India Ratings. CARE assigned a rating of 'CARE AA; Stable', ICRA assigned a rating of 'ICRA AA (hyb); Stable' and India Ratings assigned a rating of 'IND AA; Stable'.

iii. Your Bank issued 3,300 Rated Listed Unsecured Redeemable Long-Term Bonds in the nature of Debentures "Green Infrastructure Bonds" of a Face Value of ₹ 10,00,000/- each aggregating to ₹ 3,300 millions on December 29, 2016 rated by CARE, ICRA and by India Ratings. CARE assigned a rating of 'CARE AA+; Stable', ICRA assigned a rating of 'ICRA AA+; Stable' and India Ratings assigned a rating of 'IND AA+; Stable'.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

APPOINTMENT:

APPOINTMENT OF MR. ASHOK CHAWLA AS NON-EXECUTIVE PART-TIME CHAIRMAN OF THE BANK:

Mr. Ashok Chawla was appointed as Additional Director on the Board on March 5, 2016 and subsequently was appointed by the Shareholders as an Independent Director on June 7, 2016 for a period of five years. Further, RBI vide it's letter dated August 12, 2016 had approved the appointment including terms of appointment of Mr. Ashok Chawla as Non-Executive Part-time Chairman of the Bank for three (3) years from the date of his taking charge. Accordingly, Mr. Ashok Chawla took charge as Non-Executive Part-time Chairman of the Bank effective from October 30, 2016 for a period of 3 years.

The relevant details including profile of Mr. Ashok Chawla is included separately in the Notice calling the 13th Annual General Meeting of the Shareholders.

CESSATIONS:

MR. AJAY VOHRA

Mr. Ajay Vohra, Independent Director of the Bank, completed his tenure of eight years as Director of the Bank and hence, in terms of the provisions of Regulation 10A (2-A) of the Banking Regulation Act 1949, has vacated his office with effect from April 28, 2016. Accordingly, Mr. Ajay Vohra ceased to be Director of the Bank with effect from April 28, 2016.

MS. RADHA SINGH:

Ms. Radha Singh was appointed as Director on the Board of the Bank on April 29, 2008. Further, she was appointed as Non-Executive Part-time Chairperson of the Bank on October 30, 2014 for a period of two years and has completed her tenure as Non-Executive Part-time Chairperson of the Bank in terms of RBI approval dated August 01, 2014 as on October 29, 2016 and accordingly ceased to be Director on the Board of the Bank at the close of business on October 29, 2016.

MR. M. R. SRINIVASAN AND MR. DIWAN ARUN NANDA:

Mr. M. R. Srinivasan, Non-Executive Non-Independent Director and Mr. Diwan Arun Nanda, Independent Director of the Bank, on October 22, 2016 completed their tenure as Directors on the Board of the Bank in terms of RBI approval dated March 04, 2015. Accordingly, Mr. M. R. Srinivasan and Mr. Diwan Arun Nanda ceased to be Directors on the Board of the Bank at the close of business hours on October 22, 2016.

The Board places on record its appreciation for the valuable services rendered by Mr. Ajay Vohra, Ms. Radha Singh, Mr. M. R. Srinivasan and Mr. Diwan Arun Nanda during their tenure as Directors of the Bank.

Considering the above changes, your Bank has Seven (7) Directors consisting of Five (5) Independent Directors, One (1) Non-Executive Director and Managing Director & Chief Executive Officer (**'MD & CEO'**).

RETIREMENT BY ROTATION

In terms of Section 152 of the Companies Act, 2013, Mr. Ajai Kumar, 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.

KEY MANAGERIAL PERSONNEL

Mr. Rana Kapoor, MD & CEO, Mr. Rajat Monga, Chief Financial Officer and Mr. Shivanand R. Shettigar,

Company Secretary of the Bank are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder.

None of the Key Managerial Personnel has resigned or appointed during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS

The Bank has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), that they meet the criteria of independence laid down in the Companies Act, 2013 and Listing Regulations.

FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

The various programs undertaken for familiarizing Independent Directors with the functions and procedures of the Bank are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD

Regular meetings of the Board 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 five (5) times during the Financial Year 2016-17 viz. on April 26 & 27, 2016, June 7, 2016, July 27, 2016, October 20, 2016 and January 19, 2017. Additionally, several Committee meetings were held during the year including Audit Committee meeting, which met six (6) times 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 this Annual Report.

COMMITTEES OF THE BOARD

The Bank has 12 Committees of the Board which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Bank has following Committees of the Board:

- Audit Committee
- Risk Monitoring Committee
- Board Credit Committee
- IT Strategy Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Fraud Monitoring Committee
- Service Excellence, Branding and Marketing Committee
- Board Committee on Willful Defaulters & Non-Cooperative Borrowers
- Capital Raising Committee
- Committee of Independent Directors

The details with respect to the compositions, powers, roles, terms of reference, etc. of these committees are given in the report on Corporate Governance which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Bank has

DIRECTORS' REPORT (CONTD.)

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. https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy

PERFORMANCE EVALUATION OF THE BOARD

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, your Bank has laid down criteria for performance evaluation of Directors, Chairperson, MD & CEO, Board Level Committees and Board as a whole and also the evaluation process for the same. The Bank has further aligned its Board Evaluation Framework in line with the Guidance Note on the Board Evaluation issued by SEBI vide circular dated January 05, 2017.

The performance of the members of the Board, the Board level committees and Board as a whole were evaluated at the meeting of the Committee of the Independent Directors, the Board of Directors and respective Committees held on April 18 & 19, 2017. Additional information on the performance evaluation of the Board 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. 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. Your 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. Accordingly, your Bank has adopted a Code of Corporate Governance which will act 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 your 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. BNP & Associates, Practicing Company Secretaries, conforming compliance 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 Reserve Bank of India. 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 Risk Architecture of the Bank is based on Three Lines of Defence principle as given below:
  - **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 Control functions: The Bank's independent control functions, such as, Compliance, Risk Management, Fraud Containment Unit, Legal, 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 risk management and contributes to controls and tools to manage, measure and mitigate risks faced by the Bank.
  - Compliance: The Compliance vertical manages adherence to applicable laws and regulatory guidelines.
  - Legal: The Legal Risk Management (LRM) 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: The Fraud Containment Unit is an integral part of the bank's Audit & Management Governance function and is primarily responsible for prevention of frauds in the areas of Retail Liabilities, Support functions and all other businesses. The unit is responsible for transaction monitoring, alert generation, forensic scrutiny of newly opened accounts, mystery shopping, creating employee awareness, instituting a formal reward and recognition platform for fraud identification, training, and conducting periodic Fraud Vulnerability Assessments of various products and processes. Fraud Risk Management for the assets business is carried out by a separate Risk Containment Unit under the Chief Risk Officer.
- **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 of the Board, senior management and regulators regarding the effectiveness of the Bank's governance and controls designed for risk mitigation and to enhance the Bank's compliance and control.
- 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

DIRECTORS' REPORT (CONTD.)

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 Policy, Credit Policy, ALM Policy, etc. In order to maintain oversight on risk management, the Board approves the annual Internal Capital Adequacy Assessment Process (ICAAP) and reviews the Bank's Stress Testing framework and the periodic stress testing results.

- The Board has put in place five Board level committees which inter alia pertain to Risk Management, viz. Risk Monitoring Committee (RMC), Audit Committee (AC), Fraud Monitoring Committee (FMC), Board Committee on willful 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 management committees for oversight over specific risks.

  - Enterprise Risk Management & Capital Management Committee
  - Management Credit Committee
  - Executive Credit Committee
  - Asset & Liability Management Committee
  - Investment & Financial Market Management Committee
  - Operational Risk Management Committee
  - Outsourcing Management Committee
  - Security Council
  - Product Process Approval Committee
  - Fraud & Suspicious Transaction Monitoring Committee
  - Reputation Risk Management Committee
  - Standing Committee on Customer Service
  - IT Steering Committee
  - Steering Committee for IFRS (Ind AS)
  - Whistle Blower Committee
  - Model Assessment Committee

- 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 QoQ/YoY trends highlighted, with level and direction of risk. The Chief Risk Officer (**'CRO'**) is responsible for the overall Risk Governance and Supervision, on a day to day basis. CRO ensures an effective implementation of an enterprise wide risk management framework and risk culture through various risk policies, processes, thresholds, controls and continuous training and awareness programmes that enable prompt risk identification, accurate risk measurement and effective risk mitigation. CRO also ensures risk compliance and monitoring as well as reviewing and presenting information to the RMC and the Board.

- The Risk Management Department under the CRO is delegated with responsibilities of managing the risk - including risk assessment, measurement, control and reporting - by the Risk Monitoring Committee of the Board. The Risk Management Department consists of various teams such as Credit Risk Unit, General Legal Counsel and Risk Control Units. Credit Risk Unit is responsible for evaluating, rating and underwriting credit under respective Credit Risk Heads. Risk Control Units such as Market Risk, Operational Risk, Enterprise Risk, Information Security, Portfolio Analytics Unit,

Credit Risk Control Unit, Credit Mid Office, Credit Intelligence & Analytics and Risk Containment Unit are responsible for independent review, monitoring and reporting of all risk control parameters and take appropriate corrective actions where necessary. These units under the supervision of Chief Risk Control Officer are also responsible for ensuring compliance to internal policies and regulatory guidelines.

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

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Bank and were on arm's length basis. There were no materially significant related party transactions entered by the Bank with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Bank.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval for normal banking transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal banking transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

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 the link for the same is https://www.yesbank.in/about-us/corporate-governance.

Since all related party transactions entered into by the Bank were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Bank.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013, the Bank has prepared a consolidated financial statement of the Bank and also of its Subsidiary, YES Securities (India) Limited, in the same form and manner as that of the Bank which shall be laid before the ensuing 13th Annual General Meeting of the Bank along with the Bank's Financial Statement under sub-section (2) of Section 129 i.e. Standalone Financial Statement of the Bank.

Further, pursuant to the provisions of Accounting Standard ('AS') 21, 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 subsidiary for the year ended March 31, 2017 forms part of the Annual Report.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

Your 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 07, 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 4 years, subject to the approval of the Reserve Bank of India, to hold office from the conclusion of the 12th AGM till the conclusion of 16th AGM of the Bank to be held in 2020, subject to ratification of the appointment by the Members at every AGM. Accordingly,

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appointment of M/s. B S R & Co. LLP, Chartered Accountants, as a Statutory Auditors of the Bank is required to be ratified by the Members at 13th AGM, subject to the approval of the Reserve Bank of India. 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 the ratification of appointment of M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Bank, to hold office from the conclusion of the ensuing AGM till the conclusion of the 14th AGM on remuneration to be decided by the Board or Committee thereof, to the Members for approval.

(B) SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, your Bank had appointed M/s. Mehta & Mehta, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2016-17. The Bank provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2016-17 is annexed to this report as **Annexure 2.**

SECRETARIAL AUDITORS' OBSERVATIONS IN SECRETARIAL AUDIT REPORT AND DIRECTORS' EXPLANATION THERETO:

1. In respect of appointment of woman Director as required under Rule 3 of the Companies (Appointment and Qualification of Directors) Rule, 2014 and Regulation 17(1)(a) of Listing Regulations. (Similar observation has been made in the Certificate on Compliance with Conditions of Corporate Governance issued by M/s. BNP & Associates, Company Secretaries).

Ms. Radha Singh, who was on the Board of the Bank for last 8 years, retired from the Board of the Bank at the close of business on October 29, 2016. In fact, she had been the Chairperson of the Bank from October 30, 2014 till October 29, 2016. The Bank has always recognized the importance of appointing directors with diverse educational background, functional expertise, experiences and skill set, to ensure optimum Board Diversity, including gender diversity, in fullest conformity with the stipulated regulations. The Bank is in the process of identifying a suitable woman candidate in her place. Being a banking company, the proposed director is required to satisfy the prescriptions contained in the Banking Regulation Act, 1949; the "fit and proper" criteria prescribed by Reserve Bank of India and the internal policies of Bank on 'Board Diversity, Fit & Proper Criteria and Succession Planning'. In view of the above, the process has taken slightly more time than expected. Nevertheless, the Board and the Nomination and Remuneration Committee of the Board is in the process of appointing a woman director at the earliest.

2. In respect of compliance with the requirements of Regulation 29(1) (d) of Listing Regulations in respect of the Board Meeting held on April 27, 2016.

The Board approval for capital raising upto USD 1 billion, *inter alia*, by way of QIP was first obtained at the Board meeting held on April 22, 2015 in line with the extant Regulations (subject to final approval of the Shareholders), subsequently approved by the shareholders' at the AGM held on June 06, 2015 which was in the public domain, when the Board of the Bank met on April 27, 2016. Hence, there was no intention on the part of the Bank to deviate from the Listing Regulations since the resolution passed by the Board of Directors at their meeting held on April 27, 2016 was essentially a continuation/reiteration of the existing Board and Shareholders' approvals obtained in 2015 for raising of capital for the Bank, *inter alia*, by way of QIP. However, the Bank has made required intimation to Stock Exchanges in October 2016 before the Board considered the proposal for reiteration and re-endorsement of the resolution passed by the Board of Directors at its meeting held on April 27, 2016 and as approved by the Shareholders at the 12th Annual

General Meeting held on June 07, 2016 for capital raising by way of QIP and other permitted mode.

BUSINESS RESPONSIBILITY REPORT

As stipulated in Listing Regulations, the Business Responsibility Report describing the initiatives taken 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, 2017 and the date of the Directors' report i.e. April 19, 2017.

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.

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, which is forming part of the 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 Chairperson of the Bank. The details of the same have been included in the Report on Corporate Governance, which is forming part of the Annual Report.

EMPLOYEE REMUNERATION:

(a) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) 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 your Bank. A copy of this statement may be obtained by the members by writing to the Company Secretary of your Bank.

(b) The ratio of the remuneration of each Director to the median remuneration of the employees of the Bank and other details in terms 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.**

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2017, forms part of this report as **Annexure 4.**

DISCLOSURES UNDER GREEN INFRA BONDS

Green infrastructure bonds have emerged as a mainstream financing mechanism for providing structured finances to vital clean energy, and are playing a pivotal role in realization of India's renewable energy potential and achieving the globally committed target of 175 GW of additional capacity installation by 2022. Green bond issuances in India have steadily increased over the past two years since the first issuance by your Bank in February 2015, making India among the top ten largest green bond markets globally, with extensive participation from many corporate and financial institutions.

Post the successful first Green Bond of YES Bank which raised ₹ 10,000 millions (equivalent to USD 160 millions) in February 2015 and witnessed a strong demand from leading investors, your Bank further strengthened the green bond

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market by subsequently raising two other green bonds. In August 2015, the Bank raised ₹ 3,150 millions (equivalent to USD 49.4 millions) through the issue of Green Bonds to International Finance Corporation (**'IFC'**) on a private placement basis, the first investment by IFC in an Emerging Markets Green Bond issue in the world through the first offshore rupee dominated bond or "Green Masala Bond."

Moving ahead with its conviction towards Climate Finance, **YES Bank has raised ₹ 3,300 millions (equivalent to USD 50 millions) in September 2016**, 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 1st Investment** in a Green Bond issued by a bank in India. The issuance is unique owing to its innovative financing structure. FMO, the Dutch Development Bank has used the proceeds of sustainability bonds raised by them to invest in this third green bond issued by your Bank.

The amount raised through all of these issues, are used to finance Green Infrastructure Projects as per 'Eligible Projects' outlined in the Bank's internal guidelines for adherence to Green Bond Principles. KPMG, India has provided assurance on the use of proceeds for the first two green bonds for FY 2015-16. A third-party assurance provider would be providing the Assurance Services this year, on the use of proceeds in accordance with the Green Bond principles.

GREEN BOND PRINCIPLES

The Green Bond Principles (**'GBP'**) are voluntary process guidelines intended for broad use by the market that recommend transparency and disclosure, and promote integrity in the development of the Green Bond market. The Principles provide issuers guidance on the key components involved in launching a credible Green Bond; they aid investors by promoting availability of information necessary to evaluate the environmental impact of their Green Bond investments; and they assist underwriters by moving the market towards standard disclosures which will facilitate transactions. The GBP emphasize transparency and accuracy which may be increasingly used for strategic decision making by investors. The GBP has the following four key components that YES BANK has adopted:

- Use of proceeds;
- Process to identify, evaluate and select eligible projects;
- Management of proceeds; and
- Reporting.

USE OF PROCEEDS

The proceeds raised through the issue of these bonds/ debentures are used in eligible project categories to enhance the long-term resources for funding infrastructure projects and include all projects funded in whole, or in part, in the fields of renewable and clean energy projects including generation from sources such as Wind, Solar, Biomass, Hydropower and other such projects. Wind, Solar, Hydro and Biomass projects sanctioned post the closure of debenture subscription only (February 24, 2015 for ₹ 10,000 millions issue, August 05, 2015 for ₹ 3,150 millions issue, and September 26, 2016 for ₹ 3,300 millions issue) are considered for the allocation of the proceeds from Green Bonds.

PROCESS FOR EVALUATION AND SELECTION OF ELIGIBLE PROJECTS

Along with the Bank's credit policy that provides guidance for the identification, formulation and appraisal of projects, the Bank has formally adopted an Environment and Social Policy which governs its lending decisions. The Project evaluation process follows from the interactions with potential borrower to understand the overall aspects of the project and a comparison against the eligibility criteria. Post preliminary consideration, based on the merits of the project, the evaluation moves to the risk team which assesses it and conveys opinion on detailed due-diligence, if required. The eligibility of the project is thus confirmed and further documentation is sought as per the Bank's policies and Green Bond Principles.

MANAGEMENT OF PROCEEDS

The process for management of proceeds has been updated this year, to an MIS based asset tagging which tracks green bonds investments on a quarterly basis. The unallocated proceeds, if any, are placed in temporary instruments on a quarterly basis.

REPORTING

Communication to investors through an annual update would include information on allocation of proceeds:

- List of projects to which Green Bond proceeds have been allocated;
- Brief description of these projects including installed capacity and annual generation of renewable energy (wherever applicable);
- Summary of environmental and social impacts associated with these projects, if any;
- Types of temporary investment instruments for the balance of unallocated proceeds.

The proceeds from Green Bonds have been allocated to the following eligible projects:

Renewable Energy Category	Project Location	Brief Project Details*	Estimated** positive E&S impacts - CO_2 Emission Reduction (tCO_2 / yr)	Known significant negative E&S Impacts
Wind	Maharashtra	31.5 MW capacity wind energy project	67,129	None
Wind	MP & Gujarat	24 MW capacity wind energy project	49,297	None
Wind	Andhra Pradesh	100 MW capacity wind energy project	229,368	None
Wind	Karnataka	51 MW capacity wind energy project	126,581	None
Wind	MP & Gujarat	12 MW capacity wind energy project	21,670	None
Solar	Andhra Pradesh	50 MW capacity solar energy project	115,497	None
Solar	Telangana	15 MW capacity solar energy project	27,280	None
Solar	Telangana	15 MW capacity solar energy project	27,280	None
Solar	Punjab	150 MW capacity solar energy project	224,661	None
Solar	Andhra Pradesh	10 MW capacity solar energy project	17,451	None
Solar	Madhya Pradesh	20 MW capacity solar energy project	32,180	None
Solar	Tamil Nadu	216 MW capacity solar energy project	347,544	None
Solar	MP & Gujarat	30 MW capacity solar energy project	57,770	None
Solar	Telangana	48 MW capacity solar energy project	78,916	None
Solar	Karnataka	50 MW capacity solar energy project	95,214	None
Solar	Telangana	143 MW capacity solar energy project	252,484	None
Solar	Andhra Pradesh	50 MW capacity solar energy project	115,497	None
Solar	Maharashtra	40 MW capacity solar energy project	73,603	None
Solar	Andhra Pradesh	50 MW capacity solar energy project	115,497	None
Solar	Telangana	30 MW capacity solar energy project	56,409	None
Solar	Telangana	5 MW capacity solar energy project	7,703	None
Solar	Telangana	50 MW capacity solar energy project	87,468	None
Solar	Rajasthan	50 MW capacity solar energy project	100,092	None

* The total CO_2 emission reduction for individual projects have been calculated based on methodology outlined in the document 'CO_2 Baseline Database for the Indian Power Sector: User Guide Version 11.0, April 2016' along with other relevant factors such as project PLF/ CUF estimates, installed project capacity, resultant annual unit generation etc.

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STATUTORY DISCLOSURES

The disclosures required to be made under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 by your Bank are given as under:

(A) CONSERVATION OF ENERGY

- **Environmental stewardship in the financial sector – ISO 14001:2015 Environmental Management System certification for the Bank embarked on the 4th year**

  Benchmarking continual improvement and exponential growth in the Indian Banking space, your Bank has achieved significantly in internal natural resource consumption efficiencies and minimizing its carbon footprint. In the FY 2016-17 YES BANK became the FIRST BANK GLOBALLY to migrate to the latest ISO 14001:2015 Environment Management System (**'EMS'**) standard within one year of its release.

  The re-certification to the new standard is based on the Bank's new Environmental Management Policy released in 2016 which entails achieving internal natural resource consumption efficiencies and firmly outlines the Bank's commitment to achieve a minimum of 10% reduction in its carbon emissions intensity through broad-level actions. Your Bank has enhanced the scope of its EMS to 444 metro urban branch locations and included Retail Asset operation into the certification program. The Bank's Environment Management Policy highlights greater commitments to environment protection and commitment to source renewable energy for the greening the Bank's operation.

  Your Bank aims to enhance the scope of certification to the subsidiary unit YES Securities (India) Limited as per the revised ISO 14001:2015 compliance in the coming financial year. Environmental Mitigation Initiatives such as aggressive awareness creation around electricity, paper, water, diesel conservation in day-to-day activities through wide circulation of resource conservation mailers, signage and posters, Periodical trainings on Environmental Management System through comprehensive e-learning module, workshops, involvement of employees in ideas generation and their implementation.

(I) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY;

Your Bank's energy management initiatives over a period of 2 years will aim at reducing 18 - 20% energy consumption from sustainable facility management

- Installations of IoT based energy monitoring system which helps in dynamic monitoring of consumption across facilities and result in 5 to 7% savings. The pilot study conducted over 10 branches was successful. We would target metro urban branches for implementation in FY 2017-18. In a second level pilot, we have achieved between 8-12% drop in energy consumption in FY 2016-17.

- Similarly Power factors at branches are being monitored above 0.9 with the help of capacitor bank and power factor monitoring panels are installed to reduce financial risk of penalty levied by DISCOMs.

- The air conditioning replacement model has been developed with a criteria for replacing old models with an energy consumption of 1.6 -1.8 times of peak load and temperature control with dedicated AHU units for centralised AC systems are being carried out.

- Retrofit solutions for HVAC systems which has a potential saving of 10 to 15%. we will be incorporating some of the solutions in a phased manner over

a period of 2 years. Maintaining AC temperature above 25° Celsius all the time has helped the bank to achieve 3% saving of hourly kWh consumptions.

- Incorporation of LED lighting in some of our facilities, has a huge potential and will be taken up for implementation in all of our facilities in phased manner. So far 3128 nos. of LED lights in 136 new branches have been installed with a potential saving of 2,26,780 kWh of energy consumption and approx ₹ 2.26 millions of saving.

- 92% of YES Bank branches are issued Petro cards for procurement of diesel, which has resulted into enhanced transparency, reduce wastages and cost saving of 15-20% over last financial year.

(II) THE STEPS TAKEN BY THE BANK FOR UTILIZING ALTERNATE SOURCES OF ENERGY: Your Bank has explored the potential of using alternate sources of energy through open access and your Bank would continue to explore alternative sources of energy in future.

(III) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS: ₹ 5.02 millions upto present Financial Year (IoT based Energy monitoring pilot project, LED Tube lights project at IFC, Mumbai).

(B) TECHNOLOGY ABSORPTION

(I) THE EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

Technology is a key enabler and core facilitator to the key goals of your Bank and is identified as one of the strategic pillars of the Bank. Since inception your Bank has been at the forefront of leveraging technology to provide better products and services to its customers. Your Bank is a truly differentiated Financial Institution with world-class, state-of-the-art technology. All departments within the Bank use Information Technology (IT) to deliver superior products and services to the customers.

Your Bank has adopted innovative modern technology and best in class international banking practices in respect of governance frameworks to ensure that it renders the highest standards of service quality and operational excellence to its customers. As a new generation Bank, your Bank has deployed "Technology" as a Strategic Business enabler to build a distinct competitive advantage and to achieve Superior standards of Customer Service. The technology architecture and the innovative IT Outsourcing structure has enabled your Bank to achieve high standards of Customer Service at comparatively lower cost structures.

Your Bank has moved towards service oriented architecture by implementing Enterprise Service Bus (**'ESB'**). An ESB is a Web-services-capable infrastructure that supports intelligently directed communication and mediated relationships among loosely coupled and decoupled business components. The service oriented architecture assists your Bank's large customers and e-commerce firms, who are technology-driven or require time sensitive processing to consume your Bank's ESB services for their payment and receivables.

With a view to support new initiatives, innovations and ensure customer delight, your Bank has successfully executed a major upgrade of the Core Banking System perhaps the only Bank in India, that has executed a Core Banking Upgrade project of this size and complexity including both Retail and Corporate parts of the business, with a Big Bang Cutover approach. Your Bank has also upgraded various systems and platforms as also implemented new systems

DIRECTORS' REPORT (CONTD.)

and platforms. Your Bank has implemented virtualization in its data centers, to ensure its IT Infrastructure is highly resilient and usage is optimized. As a result, your Bank has reduced its carbon footprint.

The Bank has embarked upon implementing Virtual Desktop Infrastructure (**'VDI'**). VDI refers to the process of running a user desktop inside a virtual machine that resides on a server in the data centre It's a powerful form of desktop virtualization because it enables fully personalized desktops for each user with all the security and simplicity of centralized management. VDI will help us in streamlining management and costs by consolidating and centralizing the desktops while delivering end-users mobility. This will enable access to virtual desktops anytime, from anywhere, on any device. This means a more centralized, efficient client environment that is easier to maintain and able to respond more quickly to the changing needs of the user and business.

Your Bank is at the forefront on the next-generation payments system like Unified Payments Interface (**'UPI'**), a simplified and robust payments system being operated by National Payments Corporation of India (NPCI). Leveraging capabilities of the UPI platform like Phone-linked payments, any-bank account debit and 1-click 2 factor authentication – to deliver a superior user experience to customers. We aim to have the widest range of offerings in the digital payments space by covering multiple use cases either directly via our own branded offering or via strategic partnerships with industry leaders, start-up forums, start-ups etc., to emerge as a thought and business leader in the Indian payments space leveraging the capabilities provided by UPI and move toward the era of a 'less-cash' India.

Your Bank has launched the SIMsePAY, a unique innovation that allows any account holder to do money transfers, pay utility bills and other mobile banking services, without the need for smart phones or internet. SIMsePAY is a wafer-thin sticker which can be stuck on any type of SIM card of any Telco service provider – Standard, Micro and Nano. This sticker installs a SIM Tool Kit (STK) based app which can be accessed by the consumer on ANY mobile phone without the need for internet connectivity. The SIMsePAY is linked to a Prepaid Wallet which can be loaded by the consumer to perform various types of transactions. The transactions are performed using a patented encrypted SMS technology to communicate with the servers of the Bank.

Your Bank has also upgraded its Mobile Banking App for seamless customer experience. YES Mobile comes packed with a host of exciting features that enable you to truly bank On-The-Go. From simplified login through your fingerprint to transfer funds to pay all your bills in one go or experience the all new augmented reality to locate a YES Branch nearby. YES Mobile Banking App comes with over 85 services offering to YES Bank customers Anytime, Anywhere Banking.

Your Bank has launched Corporate mobile banking App which will provide an OMNI Channel online banking experience to our corporate clients. It will enable them to view and authorize transaction requests initiated on 'Corporate Net Banking' on their mobile devices even when they are travelling or are out of office. The App would allow decisions to be made on the move, eliminating process bottlenecks due to unavailability of the decision makers and facilitating faster turn-around times.

Your Bank has implemented a multi-nodal Blockchain transaction to fully digitize vendor financing for Bajaj Electricals. Your

Bank will leverage IBM Watson Conversation, a cloud-based cognitive service, to enhance the digital experience of partners, corporate clients and developers collaborating with them on the integrated Blockchain – API Banking platform. Capitalizing on the efficiency and security features of Blockchain, your Bank has used the Hyper ledger Fabric supported by IBM to design a vendor financing solution which allows Bajaj Electricals (anchor client) to digitize the process for discounting and disbursal of funds to its vendors by integrating seamlessly with YES BANK's systems. The solution will also facilitate an automated debit from Bajaj Electricals' account by YES BANK. The business logic and rules are captured in a smart contract (Chain Code) developed by Cateina Technologies. The key business advantages and highlights of this blockchain implementation for vendor financing include:

- The entire process cycle for bill discounting reduces from four days (owing to manual intervention and transit) to almost real-time;
- Transparency to all parties through blockchain's shared public ledger;
- End-to-end digital process eliminating paper trail & manual intervention;
- The entire transaction history of a particular vendor is recorded and is immutable through blockchain;
- The transaction status along with details are seamlessly transmitted to Bajaj Electricals' Enterprise Resource Planning;
- Seamless integration with existing API Banking implementation by YES BANK using IBM's Enterprise Service Bus (IIB), API management and Datapower solution. This integration offers automated processing of transactions with almost zero manual intervention. YES BANK was the 1st Bank in India to launch API Banking services, which was also in collaboration with IBM in 2015;
- Use of a permissioned blockchain with flexibility to add other participants later;
- Use of superior Cryptokey to offer state-of-the-art security for both documents and transactions on the blockchain.

(II) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION:

Technology has responded by being true strategic partner with business. Many first mover implementations have provided business, long lasting advantages, as also won many accolades and awards for the Bank. One of the finest direct banking platforms, first bank in India to offer two factor authentication, single PIN access to all electronic channels, Wi-Fi branches are some of the examples.

Innovations like API Banking, 'Bank in a BOX' , Money Monitor (aggregation of customer accounts of all types across 11,000 institutions globally), Mobile Money Services, dual factor authentication, one view of customer relationship and most advanced voice enabled IVR helps the products and sales teams to offer superior products and services.

Your Bank has evaluated and implemented cutting edge technologies like virtualization, cloud computing and social media to invest in the best in class IT systems and practices, and in order to ensure that its technology platform becomes a strategic business tool for building a competitive advantage.

DIRECTORS' REPORT (CONTD.)

Apart from product development, product improvement & effective cost management, technology has also played a major role in customer acquisition & ensuring high level of service delivery & customer excellence. Your Bank has also been able to cater to Financial Inclusion needs through its award winning and globally recognized technology solution platform which offers doorstep banking services.

(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
Port wise Authentication Platform (Por twise Authentication Server + Access Manager - 10,000 concurrent users)	Mar-14	Yes	NA
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/Email, OATH, software tokens) on existing setup	Sep-15	Yes	NA
Master Data Management licenses	Nov-15	Yes	NA
Cisco WanStack for Branch WAN Architecture Revamp	Dec-16	No	Delivery is still expected

(IV) YOUR BANK HAS NOT INCURRED ANY EXPENDITURE ON RESEARCH AND DEVELOPMENT DURING THE YEAR UNDER REVIEW.

(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, 2017 the Bank earned ₹ 4,566.02 millions and spent ₹ 5,102.38 millions in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

As a responsible organization, the Bank strives to foster a safe and respectful work environment. The Bank has Zero tolerance towards any action on the part of any executive which may fall under the ambit of "Sexual Harassment" at workplace, and is fully committed to uphold and maintain the dignity of every women 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 endeavour 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.

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	One*
Number of complaints filed during the financial year	Ten
Number of complaints pending as on the end of the financial year	Three

* The open complaint as on the end of the FY 2015-16 has been resolved

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. The Bank has followed the A.R.T. – Alliances, Relationships and Technology led approach to Banking, and in line with this philosophy, 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 the Finest Quality Bank of the World in India by 2025 ."

For and on behalf of the Board of Directors

Rana Kapoor
Managing Director & CEO
(DIN No. 00320702)

Ashok Chawla
Non-Executive (Independent) Part-time Chairman
(DIN No. 00056133)

Place: Mumbai
Date: April 19, 2017

DIRECTORS' REPORT (CONTD.)

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*

YOUR 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, your Bank undertook unique initiatives during the year which positively impacted lives. The initiatives for FY 2016-17 focused on scaling up projects that were launched over the last two years with an objective to deliver on exponential impact and creating sustainable CSR models. The key initiatives undertaken during the year:

- Access to safe and clean drinking water
- Environmental conservation
- Skill building and entrepreneurship
- Livelihood enhancement
- 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

Your 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. Your bank's Corporate Social Responsibility Committee monitors the CSR activities on a periodic basis.

Members of the committee as on March 31, 2017:

1. Mr. Ashok Chawla (Independent Director)
2. Mr. Brahm Dutt (Independent Director)
3. Mr. Rana Kapoor (Managing Director & CEO)

AVERAGE NET PROFIT BEFORE TAX OF THE BANK FOR LAST THREE FINANCIAL YEARS

₹ 3,001 crores

PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS ABOVE)

₹ 60.02 crores

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR.

a. Total amount to be spent for the financial year: ₹ 50.00 crores
The Bank has spent ₹ 41.66 crores during FY 2016-17

b. Amount unspent , if any: ₹ 8.34 crores

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 Sub-heads: (1)Direct expenditure on projects or programs. (2)Overheads**	**Cumulative Expenditure upto the Reporting Period**	Amount spent: Direct or through implementing agency
1	**YES COMMUNITY**	Promoting education Livelihood enhancement Promoting preventive healthcare Ensuring environment sustainability	Pan India	7 crores	6.46 crores	16.28 crores	Direct
2	**Livelihood and Water Security**	Making available safe drinking water Livelihood enhancement	Delhi/ NCR, Goa, Gujarat, Karnataka, Madhya Pradesh, Maharashtra	16 crores	11.08 crores	23.34 crores	Direct Jaldhaara Foundation YES Foundation Grassroot Trading Network for Women
3	**Say YES to Sustainable MSMEs in India**	Ensuring environment sustainability Promoting preventive healthcare & education	Delhi/ NCR, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, West Bengal	2.5 crores	2.55 crores	5.69 crores	Direct Foundation for MSME Clusters (FMC) and The Entrepreneurship Development Institute of India (EDI)
4	**YES STEADY** (Skills Training and Enhancement for Development of Youth)	Promoting education Livelihood enhancement	Pan India	6 crores	5.21 crores	10.62 crores	Direct Deshpande Foundation
5	**Natural Capital Initiatives**	Ensuring environment sustainability Promoting education	Pan India	5 crores	0.12 crores	2.07 crores	Direct
6	**Support to YES Foundation**	Promoting education	Pan India	13.5 crores	14.34 crores	24.84 crores	YES Foundation
7	Expenditure on administrative overheads				1.9 crores	4.05 crores	
				TOTAL	**41.66 crores**	**86.89 crores**	

DIRECTORS' REPORT (CONTD.)

Your Bank has accelerated its commitments and actions in line with India's sustainable development growth trajectory, to create maximum positive social and environmental impact. The Bank's strategic focus on the Sustainable Development Goals (SDGs) has percolated in its core strategy, addressing the need of communities through unique CSR programs. In FY 2016-17, your Bank scaled up its initiative of providing access to safe and clean drinking water, in partnership with the Indian Railways by touching more than 1 lakh lives every day across 192 railway stations. Since the start of the project in FY 2015-16, this initiative has provided access to safe and clean drinking water, to nearly 5 crore lives. Through intensive interventions, your Bank addressed the needs of the critical MSME sector. 2,229 MSMEs were educated on energy efficiency and occupational health and safety of their workers, thereby helping feed into India's larger goals of creating a low carbon economy. The Bank's unique flagship community engagement initiative, delivered exponential impact by working on socio-environmental issues of national importance like financial literacy, Swachh Bharat, road safety, energy conservation and creation of a carbon sink through tree plantation, touching 20 lakh lives through the year.

As a public trust institution, your Bank exercises prudence in undertaking and investing in projects that are unique, scalable and sustainable. Implementation partners for fulfilling its CSR objectives are selected basis strong governance, due-diligence and a monitoring framework. Your Bank has adopted an approach of effective resource allocation, thus generating maximum social value and mindshare. The strategy for FY 2016-17 was formulated in order to achieve "increased impact per rupee" spent on social and environmental initiatives. In FY 2016-17, the Bank spent 1.39% (₹ 41.66 crores) towards CSR activities; an increase of 41% over last year's spend of 1.24% (₹ 29.52 crores). Since the banking sector is central to an economy, your Bank has been mindfully focussing on climate action through lending, investing and raising capital towards mitigation, adaptation and resilience. It continued to serve the larger community through livelihood enhancement programs, financial inclusion with migrants and large scale projects on sustainable energy, which are beyond the ambit of the definition of CSR under the Companies Act, 2013.

To meet the daunting task of India's SDG implementation goals, your Bank has committed ₹ 250 crores till FY 2020 towards two key focus areas of livelihood and water security, and environment sustainability, through focused and intensified CSR and Sustainability actions.

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

Rana Kapoor
Managing Director & CEO
(DIN No. 00320702)

Ashok Chawla
Chairman – CSR Committee Meeting
(DIN No. 00056133)

ANNEXURE 2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and the rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
YES BANK Limited,
9th Floor, Nehru Centre, Discovery of India,
Dr. A.B. Road, Worli,
Mumbai - 400 018

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 "Company"/"Bank"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company 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 Company for the financial year ended on March 31, 2017 according to the provisions of:

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

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

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

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

(v) 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

DIRECTORS' REPORT (CONTD.)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

(vi) The Banking Regulation Act, 1949;

(vii) SEBI (Bankers to an Issue) Regulations, 1994;

(viii) SEBI (Depositories & Participants) Regulations, 1993.

We have examined compliance with the applicable clauses of the following:

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

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, as regard to the provisions of Banking Regulation Act, 1949, the Company has complied with the provisions pertaining to all the returns to be filed with Reserve Bank of India ("RBI ").

During the period under review the Bank has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following observations:

The Board of the Company does not comprise of a Woman Director since October 30, 2016, as required under the second proviso to section 149(1) of The Companies Act, 2013 and clause (a) of Sub-regulation (1) read with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

WE FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of the 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except certain meetings of Committees of the Board which were held at a shorter notice in compliance with the provisions of the Act and Secretarial Standards 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.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

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 the Company had the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

i. 1,703,550 Equity stock options of the face value of ₹ 10 each ("options") were granted at different prices under various Stock Option Plans on April 1, 2016, April 7, 2016, April 21, 2016, July 5, 2016, October 1, 2016, October 8, 2016, January 3, 2017 and January 24, 2017.

ii. The Bank has allotted 3,243,172 equity shares of face value of ₹ 10/- each to the eligible employees of the Bank under various Employee Option Plans.

iii. On July 27, 2016, SEBI granted in principle approval to the Bank for setting up of Mutual Fund, Asset Management and Trustee Company.

iv. The Company had taken approval for capital raising upto USD 1 billion through Qualified Institutions Placement at the Board Meeting held on April 27, 2016 and from the Shareholders in the Annual General Meeting held on June 7, 2016. On September 7, 2016, the Company launched a Qualified Institutions Placement of equity shares of face value of ₹ 10 each under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") and Section 42 of the Companies Act, 2013 (including the rules made there under). On the advice of the appointed Merchant Bankers, the Qualified Institutions Placement ("QIP") was withdrawn on September 8, 2016. The Company had complied with all the provisions relating to Qualified Institutions Placement *except prior intimation to Stock Exchange under Regulation 29(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

v. Subsequent to the approval accorded by The Board of Directors of the Bank at its meeting held on April 27, 2016, and October 20, 2016 and the approval of the Shareholders of the Bank by way of a special resolution dated June 07, 2016 for the Qualified Institutions Placement, the Capital Raising Committee of the Bank authorized the opening of the Qualified Institutions Placement Issue on March 23, 2017 which was closed on March 29, 2017 and 32,711,000 equity shares were allotted at an issue price of ₹ 1,500 per equity share on March 31, 2017 amounting to ₹ 4,906.65 crores.

vi. Pursuant to the approvals granted by the Board of Directors of the Bank on April 27, 2016 and Shareholders at their Annual General Meeting held on June 7, 2016, the following Issue of Debt Securities by raising funds in Indian Currency upto ₹ 5,465 crores to eligible investors through Private Placement out of the total limit of ₹ 10,000 crores were made during FY 2016-17:

Date of Allotment	Nature of the Issue	Face value in ₹	Amount raised in ₹
September 30, 2016	8.00% Senior Unsecured Listed Rated Redeemable Long-Term Bonds	₹ 10,00,000	21,35,00,00,000
December 23, 2016	9.50% Unsecured Perpetual Subordinated Basel III Compliant Additional Tier 1 Bonds	₹ 10,00,000	30,00,00,00,000
December 29, 2016	7.62% Unsecured Redeemable Non-Convertible Long-term Bonds	₹ 10,00,000	330,00,00,000

DIRECTORS' REPORT (CONTD.)

vii. As per the terms of the Information Memorandum and approval granted by the Reserve Bank of India, the Bank has redeemed various Debt Instruments as mentioned below:

Date of Redemption	Nature of the Issue	Amount Redeemed in ₹	Purpose
May 9, 2016	Subordinated Tier II Bonds	1,80,00,00,000	Redemption on Maturity
January 2, 2017	Upper Tier II Bonds	80,00,00,000	Redemption on exercise of Call Option
February 7, 2017	Upper Tier II Bonds	33,60,00,000	Redemption on exercise of Call Option
March 14, 2017	Upper Tier II Bonds	10,00,00,000	Redemption on exercise of Call Option
March 15, 2017	Upper Tier II Bonds	10,00,00,000	Redemption on exercise of Call Option
March 23, 2017	Upper Tier II Bonds	60,00,00,000	Redemption on exercise of Call Option
March 31, 2017	Upper Tier II Bonds	5,00,00,000	Redemption on exercise of Call Option

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No. 3667 CP No. 3202

Place : Mumbai
Date : April 19, 2017

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A

To,
YES BANK Limited,
9th Floor, Nehru Centre, Discovery of India,
Dr. A.B. Road, Worli,
Mumbai - 400 018

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No. 3667 CP No. 3202

Place : Mumbai
Date : April 19, 2017

DIRECTORS' REPORT (CONTD.)

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	MD & CEO	102.56x
		Radha Singh *	2.07x
		Ashok Chawla **	1.89x
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	MD & CEO	21.20%
		CFO	7.20%
		CS	6.20%
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 **13.8%**. The calculation of % Increase in Median Remuneration 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 **20,125** employees as on **March 31, 2017**	
VIII	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.	
XII	Affirmation that the remuneration is as per the remuneration policy of the company	**Yes, it is confirmed**	

GENERAL NOTES

- 'x' denotes the median remuneration of the employees in the financial year.
- Remuneration in case of MD & CEO is regulated by Reserve Bank of India Guidelines and as approved by the Reserve Bank of India.
- In case of the CFO, he is also responsible for Digital Banking; Financial Management (FINMGT); Financial Markets (FM); SA Liabilities Product Management (LPM); Business and Digital Technology Solutions Group (BDTS); Transaction Banking Group (TBG) and Company Secretarial (CS). He is part of the Bank since inception and has contributed significantly in the Bank's overall growth. His overall remuneration is arrived after considering the wide scope of his responsibilities, his contribution to Bank and market benchmarking.
- The Remuneration for the purpose of this table is defined as "Total Cost to the Company (TCC)" 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.

Notes:
*Radha Singh's remuneration considered from April 1, 2016 to October 29, 2016.
**Ashok Chawla's remuneration considered from October 30, 2016 to March 31, 2017.

ANNEXURE 4

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	:	L65190MH2003PLC143249
(ii)	Registration Date	:	21/11/2003
(iii)	Name of the Company	:	YES BANK Limited
(iv)	Category/Sub-Category of the Company	:	Public Company
(v)	Address of the Registered office and contact details	:	9th Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018. Tel: 022 6669 9000
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Board No. 040 67161559 Contact Persons: Ms. Shobha Anand/Mr. Sridhar Balamurli

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Banking Services	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
1	Yes Securities (India) Limited	U74992MH2013PLC240971	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 01, 2016 i.e. on the basis of SHP of March 31, 2016)				No. of Shares held at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER /PROMOTER GROUP									
(1) INDIAN									
a) Individual/HUF	55,125,000	0	55,125,000	13.11	55,125,000	0	55,125,000	12.08	-1.03
b) Central Govt.	0	0	0	0.00	0	0	0	0	0
c) State Govt.(s)	0	0	0	0.00	0	0	0	0	0
d) Bodies Corp.	37,017,450	0	37,017,450	8.80	37,017,450	0	37,017,450	8.11	-0.69
e) Banks/FI	0	0	0	0.00	0	0	0	0	0
f) Any Other...	0	0	0	0.00	0	0	0	0	0
Sub-total (A)(1):	**92,142,450**	**0**	**92,142,450**	**21.91**	**92,142,450**	**0**	**92,142,450**	**20.19**	**-1.72**
(2) FOREIGN									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter/Promoter Group (A) = (A)(1)+(A)(2)	**92,142,450**	**0**	**92,142,450**	**21.91**	**92,142,450**	**0**	**92,142,450**	**20.19**	**-1.72**
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
a) Mutual Funds	47,911,475	0	47,911,475	11.39	47,763,989	0	47,763,989	10.46	-0.93
b) Banks/FI	457,261	0	457,261	0.11	334,969	0	334,969	0.07	-0.04
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	53,653,401	0	53,653,401	12.76	58,094,774	0	58,094,774	12.73	-0.03
g) FIIs	173,466,349	0	173,466,349	41.25	212,958,407	0	212,958,407	46.65	5.40
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify - Qualified Foreign Investor) - Alternative Investment Fund	0	0	0	0.00	211,585	0	211,585	0.05	0.05
Sub-total (B)(1):	**275,488,486**	**0**	**275,488,486**	**65.51**	**319,363,724**	**0**	**319,363,724**	**69.96**	**4.45**

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 01, 2016 i.e. on the basis of SHP of March 31, 2016)				No. of Shares held at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	10,181,116	0	10,181,116	2.42	4,005,013	0	4,005,013	0.88	-1.54
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	24,505,488	65,341	24,570,829	5.84	22,312,238	23,271	22,335,509	4.89	-0.95
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12,760,251	48,000	12,808,251	3.05	12,908,017	0	12,908,017	2.83	-0.22
c) Others (Foreign Nationals, HUF, Clearing members, NRIs, Trusts, NBFC)	5,340,509	0	5,340,509	1.27	5,731,100	0	5,731,100	1.26	-0.01
Sub-total (B)(2):	**52,775,369**	**113,341**	**52,888,710**	**12.58**	**44,956,368**	**23,271**	**44,979,639**	**9.85**	**-2.73**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**328,275,850**	**113,341**	**328,389,191**	**78.09**	**364,320,092**	**23,271**	**364,343,363**	**79.81**	**1.72**
C) SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	0	0	0	0	0	0	0	0	
Grand Total(A+B+C)	**420,418,300**	**113,341**	**420,531,641**	**100.00**	**456,462,542**	**23,271**	**456,485,813**	**100**	**0**

ii) SHAREHOLDING OF PROMOTER/PROMOTER GROUP

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 01, 2016 i.e. on the basis of SHP of March 31, 2016)			Share holding at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total shares	
1.	Rana Kapoor	20,000,000	4.76	0.00	20,000,000	4.38	0.00	-0.38
2.	Yes Capital (India) Private Limited	15,125,000	3.60	0.00	15,125,000	3.31	0.00	-0.29
3.	Morgan Credits Private Limited	14,050,000	3.34	0.00	14,050,000	3.08	0.00	-0.26
4.	Madhu Kapur	35,125,000	8.35	0.79	35,125,000	7.69	0.73	-0.66
5.	MAGS Finvest Private Ltd.	7,842,450	1.86	0.00	7,842,450	1.72	0.00	-0.14
	TOTAL	**92,142,450**	**21.91**	**0.79**	**92,142,450**	**20.19**	**0.73**	**-1.72**

The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

iii) CHANGE IN PROMOTER /PROMOTER GROUP SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sr. No.		Shareholding at the beginning of the year (as on April 01, 2016 i.e. on the basis of SHP of March 31, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Bank	No. of shares	% of total shares of the Bank
	At the beginning of the year		No Change*		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No Change		
	At the End of the year		No Change*		

* The shareholding of Promoter/Promoter Group has not changed in absolute numbers. The variation in terms of percentage is due to increase in paid-up share capital of the Bank on account of allotment of shares pursuant to exercise of options under the ESOP scheme(s) and under Qualified Institutions Placement (QIP) during the year ended March 31, 2017.

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
1	LIFE INSURANCE CORPORATION OF INDIA ALONG WITH IT'S VARIOUS SCHEMES#	37,453,751	8.91	31/03/2016			37,453,751	8.91
				12/08/2016	489,195	Transfer	37,942,946	9.01
				19/08/2016	100,000	Transfer	38,042,946	9.03
				31/03/2017			38,042,946	8.33
2	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED ALONG WITH ITS VARIOUS SCHEMES	9,090,502	2.16	31/03/2016			9,090,502	2.16
				08/04/2016	900	Transfer	9,091,402	2.16
				08/04/2016	-400,713	Transfer	8,690,689	2.07
				15/04/2016	37,111	Transfer	8,727,800	2.08
				15/04/2016	-5,817	Transfer	8,721,983	2.07
				22/04/2016	40,000	Transfer	8,761,983	2.08
				22/04/2016	-25,427	Transfer	8,736,556	2.08
				29/04/2016	-297,500	Transfer	8,439,056	2.01
				06/05/2016	90	Transfer	8,439,146	2.01
				06/05/2016	-194,546	Transfer	8,244,600	1.96
				13/05/2016	19,246	Transfer	8,263,846	1.96
				13/05/2016	-102,610	Transfer	8,161,236	1.94
				20/05/2016	-100,000	Transfer	8,061,236	1.92
				03/06/2016	3,500	Transfer	8,064,736	1.92
				10/06/2016	-39,900	Transfer	8,024,836	1.91
				17/06/2016	-95,400	Transfer	7,929,436	1.88
				24/06/2016	16,652	Transfer	7,946,088	1.89
				30/06/2016	-33,603	Transfer	7,912,485	1.88
				08/07/2016	-329	Transfer	7,912,156	1.88
				15/07/2016	-160,000	Transfer	7,752,156	1.84
				22/07/2016	12,800	Transfer	7,764,956	1.84

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Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				22/07/2016	-62,208	Transfer	7,702,748	1.83
				05/08/2016	-75,000	Transfer	7,627,748	1.81
				19/08/2016	-10,500	Transfer	7,617,248	1.81
				26/08/2016	-644,190	Transfer	6,973,058	1.66
				02/09/2016	-674,100	Transfer	6,298,958	1.49
				09/09/2016	-208,000	Transfer	6,090,958	1.45
				16/09/2016	112,700	Transfer	6,203,658	1.47
				23/09/2016	201,500	Transfer	6,405,158	1.52
				30/09/2016	-112,700	Transfer	6,292,458	1.49
				07/10/2016	60,000	Transfer	6,352,458	1.51
				14/10/2016	201,000	Transfer	6,553,458	1.55
				14/10/2016	-316	Transfer	6,553,142	1.55
				21/10/2016	42,000	Transfer	6,595,142	1.56
				28/10/2016	-12,600	Transfer	6,582,542	1.56
				04/11/2016	16,100	Transfer	6,598,642	1.56
				04/11/2016	-1,600	Transfer	6,597,042	1.56
				11/11/2016	48,300	Transfer	6,645,342	1.57
				18/11/2016	200,138	Transfer	6,845,480	1.62
				25/11/2016	146,200	Transfer	6,991,680	1.65
				02/12/2016	570,275	Transfer	7,561,955	1.79
				09/12/2016	50,000	Transfer	7,611,955	1.80
				09/12/2016	-3,100	Transfer	7,608,855	1.80
				23/12/2016	10,500	Transfer	7,619,355	1.80
				30/12/2016	147,100	Transfer	7,766,455	1.84
				13/01/2017	118,000	Transfer	7,884,455	1.86
				13/01/2017	-100,000	Transfer	7,784,455	1.84
				20/01/2017	39,000	Transfer	7,823,455	1.85
				27/01/2017	-80,500	Transfer	7,742,955	1.83
				03/02/2017	74,900	Transfer	7,817,855	1.85
				03/02/2017	-1,500	Transfer	7,816,355	1.85
				10/02/2017	25,000	Transfer	7,841,355	1.85
				10/02/2017	-19,500	Transfer	7,821,855	1.85
				17/02/2017	-67,900	Transfer	7,753,955	1.83
				24/02/2017	150,000	Transfer	7,903,955	1.87
				24/02/2017	-113,700	Transfer	7,790,255	1.84
				03/03/2017	140,000	Transfer	7,930,255	1.87

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				03/03/2017	-49,123	Transfer	7,881,132	1.86
				10/03/2017	-2,900	Transfer	7,878,232	1.86
				31/03/2017	1,438,987	Transfer	9,317,219	2.04
				31/03/2017	-84,359	Transfer	9,232,860	2.02
				31/03/2017			9,232,860	2.02
3	FRANKLIN TEMPLETON INVESTMENT FUND	8,442,394	2.01	31/03/2016			8,442,394	2.01
				13/05/2016	-6,290	Transfer	8,436,104	2.00
				20/05/2016	-8,560	Transfer	8,427,544	2.00
				30/06/2016	-7,934	Transfer	8,419,610	2.00
				29/07/2016	-2,947	Transfer	8,416,663	2.00
				09/09/2016	-1,148	Transfer	8,415,515	2.00
				16/09/2016	101,766	Transfer	8,517,281	2.02
				23/09/2016	518,234	Transfer	9,035,515	2.14
				17/02/2017	-8,585	Transfer	9,026,930	2.13
				31/03/2017			9,026,930	1.98
4	FRANKLIN INDIA MONTHLY INCOME PLAN ALONG WITH ITS VARIOUS SCHEMES	11,464,552	2.73	31/03/2016			11,464,552	2.73
				08/04/2016	-519	Transfer	11,464,033	2.73
				15/04/2016	805	Transfer	11,464,838	2.73
				22/04/2016	-193	Transfer	11,464,645	2.73
				29/04/2016	-88	Transfer	11,464,557	2.72
				06/05/2016	25,172	Transfer	11,489,729	2.73
				06/05/2016	-998,596	Transfer	10,491,133	2.49
				13/05/2016	205	Transfer	10,491,338	2.49
				20/05/2016	170	Transfer	10,491,508	2.49
				27/05/2016	197	Transfer	10,491,705	2.49
				27/05/2016	-18,500	Transfer	10,473,205	2.49
				03/06/2016	110	Transfer	10,473,315	2.49
				10/06/2016	175	Transfer	10,473,490	2.49
				10/06/2016	-100,000	Transfer	10,373,490	2.46
				17/06/2016	170	Transfer	10,373,660	2.46
				30/06/2016	-53	Transfer	10,373,607	2.46

DIRECTORS' REPORT (CONTD.)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				08/07/2016	102	Transfer	10,373,709	2.46
				15/07/2016	7	Transfer	10,373,716	2.46
				22/07/2016	74	Transfer	10,373,790	2.46
				05/08/2016	-200,031	Transfer	10,173,759	2.42
				19/08/2016	38	Transfer	10,173,797	2.42
				26/08/2016	-259	Transfer	10,173,538	2.41
				02/09/2016	-100,000	Transfer	10,073,538	2.39
				09/09/2016	-544,295	Transfer	9,529,243	2.26
				16/09/2016	-1,710	Transfer	9,527,533	2.26
				23/09/2016	17,864	Transfer	9,545,397	2.27
				14/10/2016	-154	Transfer	9,545,243	2.26
				28/10/2016	-51	Transfer	9,545,192	2.26
				04/11/2016	-119,240	Transfer	9,425,952	2.23
				11/11/2016	150,000	Transfer	9,575,952	2.27
				11/11/2016	-120,725	Transfer	9,455,227	2.24
				25/11/2016	90	Transfer	9,455,317	2.24
				25/11/2016	-194,011	Transfer	9,261,306	2.19
				02/12/2016	-18	Transfer	9,261,288	2.19
				23/12/2016	109	Transfer	9,261,397	2.19
				13/01/2017	-71,608	Transfer	9,189,789	2.17
				20/01/2017	-100,000	Transfer	9,089,789	2.15
				27/01/2017	-73	Transfer	9,089,716	2.15
				03/02/2017	-67	Transfer	9,089,649	2.15
				10/02/2017	-41	Transfer	9,089,608	2.15
				17/02/2017	282	Transfer	9,089,890	2.15
				17/02/2017	-250,000	Transfer	8,839,890	2.09
				24/02/2017	-111	Transfer	8,839,779	2.09
				03/03/2017	-70	Transfer	8,839,709	2.09
				10/03/2017	101,500	Transfer	8,941,209	2.11
				17/03/2017	-69	Transfer	8,941,140	2.11
				31/03/2017	-345	Transfer	8,940,795	1.96
				31/03/2017			8,940,795	1.96
5	NEW WORLD FUND INC	0	0.00	31/03/2016			-	0.00
				31/03/2017	7,480,000	Transfer	7,480,000	1.64
				31/03/2017			7,480,000	1.64

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
6	NOMURA INDIA INVESTMENT FUND MOTHER FUND	3,486,591	0.83	31/03/2016			3,486,591	0.83
				20/05/2016	100,000	Transfer	3,586,591	0.85
				12/08/2016	571,058	Transfer	4,157,649	0.99
				26/08/2016	65,246	Transfer	4,222,895	1.00
				02/09/2016	151,442	Transfer	4,374,337	1.04
				16/09/2016	347,380	Transfer	4,721,717	1.12
				23/09/2016	438,813	Transfer	5,160,530	1.22
				04/11/2016	144,696	Transfer	5,305,226	1.26
				02/12/2016	153,692	Transfer	5,458,918	1.29
				31/03/2017	636,594	Transfer	6,095,512	1.34
				31/03/2017			6,095,512	1.34
7	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED ALONG WITH IT'S VARIOUS SCHEMES	3,761,886	0.89	31/03/2016			3,761,886	0.89
				08/04/2016	6,708	Transfer	3,768,594	0.90
				08/04/2016	-471,951	Transfer	3,296,643	0.78
				22/04/2016	-227	Transfer	3,296,416	0.78
				29/04/2016	500,000	Transfer	3,796,416	0.90
				29/04/2016	-64,658	Transfer	3,731,758	0.89
				06/05/2016	98,700	Transfer	3,830,458	0.91
				06/05/2016	-2,672	Transfer	3,827,786	0.91
				13/05/2016	282,677	Transfer	4,110,463	0.98
				20/05/2016	-407,446	Transfer	3,703,017	0.88
				27/05/2016	-297,500	Transfer	3,405,517	0.81
				03/06/2016	-44,918	Transfer	3,360,599	0.80
				10/06/2016	200,000	Transfer	3,560,599	0.85
				10/06/2016	-1,017	Transfer	3,559,582	0.85
				17/06/2016	650,000	Transfer	4,209,582	1.00
				17/06/2016	-175	Transfer	4,209,407	1.00
				24/06/2016	425,000	Transfer	4,634,407	1.10
				24/06/2016	-1,032	Transfer	4,633,375	1.10
				30/06/2016	275,000	Transfer	4,908,375	1.17

DIRECTORS' REPORT (CONTD.)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				08/07/2016	19	Transfer	4,908,394	1.17
				08/07/2016	-1,680	Transfer	4,906,714	1.17
				15/07/2016	516	Transfer	4,907,230	1.17
				15/07/2016	-46	Transfer	4,907,184	1.17
				22/07/2016	-258	Transfer	4,906,926	1.17
				29/07/2016	-430	Transfer	4,906,496	1.16
				05/08/2016	-13,144	Transfer	4,893,352	1.16
				12/08/2016	7,058	Transfer	4,900,410	1.16
				19/08/2016	4,776	Transfer	4,905,186	1.16
				19/08/2016	-26	Transfer	4,905,160	1.16
				26/08/2016	-59,672	Transfer	4,845,488	1.15
				02/09/2016	8,313	Transfer	4,853,801	1.15
				02/09/2016	-256	Transfer	4,853,545	1.15
				09/09/2016	1,204	Transfer	4,854,749	1.15
				09/09/2016	-52,096	Transfer	4,802,653	1.14
				16/09/2016	1,376	Transfer	4,804,029	1.14
				16/09/2016	-2,257	Transfer	4,801,772	1.14
				23/09/2016	5,848	Transfer	4,807,620	1.14
				07/10/2016	9,978	Transfer	4,817,598	1.14
				07/10/2016	-46	Transfer	4,817,552	1.14
				14/10/2016	1,978	Transfer	4,819,530	1.14
				14/10/2016	-26	Transfer	4,819,504	1.14
				21/10/2016	6,657	Transfer	4,826,161	1.14
				28/10/2016	41,786	Transfer	4,867,947	1.15
				04/11/2016	10,556	Transfer	4,878,503	1.15
				11/11/2016	713,309	Transfer	5,591,812	1.32
				11/11/2016	-234,248	Transfer	5,357,564	1.27
				18/11/2016	18,819	Transfer	5,376,383	1.27
				25/11/2016	10,770	Transfer	5,387,153	1.27
				25/11/2016	-11,728	Transfer	5,375,425	1.27
				02/12/2016	91	Transfer	5,375,516	1.27
				02/12/2016	-1,354	Transfer	5,374,162	1.27
				09/12/2016	6,083	Transfer	5,380,245	1.27
				16/12/2016	-2,327	Transfer	5,377,918	1.27
				23/12/2016	1,264	Transfer	5,379,182	1.27
				30/12/2016	2,655	Transfer	5,381,837	1.27

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				30/12/2016	-39,240	Transfer	5,342,597	1.26
				06/01/2017	7,442	Transfer	5,350,039	1.26
				06/01/2017	-125	Transfer	5,349,914	1.26
				13/01/2017	2,054	Transfer	5,351,968	1.27
				13/01/2017	-16,928	Transfer	5,335,040	1.26
				20/01/2017	14,378	Transfer	5,349,418	1.26
				20/01/2017	-184	Transfer	5,349,234	1.26
				27/01/2017	869	Transfer	5,350,103	1.26
				27/01/2017	-17,355	Transfer	5,332,748	1.26
				03/02/2017	1,896	Transfer	5,334,644	1.26
				03/02/2017	-4,692	Transfer	5,329,952	1.26
				10/02/2017	10,158	Transfer	5,340,110	1.26
				10/02/2017	-31	Transfer	5,340,079	1.26
				17/02/2017	3,160	Transfer	5,343,239	1.26
				17/02/2017	-3,402	Transfer	5,339,837	1.26
				24/02/2017	4,424	Transfer	5,344,261	1.26
				24/02/2017	-8,458	Transfer	5,335,803	1.26
				03/03/2017	157	Transfer	5,335,960	1.26
				03/03/2017	-59,206	Transfer	5,276,754	1.25
				10/03/2017	208,079	Transfer	5,484,833	1.29
				10/03/2017	-259,368	Transfer	5,225,465	1.23
				17/03/2017	8,550	Transfer	5,234,015	1.24
				17/03/2017	-14,877	Transfer	5,219,138	1.23
				24/03/2017	813,379	Transfer	6,032,517	1.42
				24/03/2017	-5,410	Transfer	6,027,107	1.42
				31/03/2017	156	Transfer	6,027,263	1.32
				31/03/2017	-33,341	Transfer	5,993,922	1.31
				31/03/2017			5,993,922	1.31
8	**ABU DHABI INVESTMENT AUTHORITY UNDER ITS VARIOUS ACCOUNTS**	1,430,800	0.34	31/03/2016			1,430,800	0.34
				08/04/2016	-131,914	Transfer	1,298,886	0.31
				15/04/2016	-35,886	Transfer	1,263,000	0.30
				20/05/2016	29,422	Transfer	1,292,422	0.31

DIRECTORS' REPORT (CONTD.)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				27/05/2016	574,000	Transfer	1,866,422	0.44
				03/06/2016	1,302,132	Transfer	3,168,554	0.75
				10/06/2016	115,597	Transfer	3,284,151	0.78
				05/08/2016	-192,000	Transfer	3,092,151	0.73
				26/08/2016	50,000	Transfer	3,142,151	0.75
				02/09/2016	2,357,547	Transfer	5,499,698	1.31
				09/09/2016	275,363	Transfer	5,775,061	1.37
				23/09/2016	171,000	Transfer	5,946,061	1.41
				28/10/2016	580,500	Transfer	6,526,561	1.55
				18/11/2016	468,000	Transfer	6,994,561	1.66
				25/11/2016	-200,000	Transfer	6,794,561	1.61
				02/12/2016	-52,564	Transfer	6,741,997	1.60
				16/12/2016	-465,570	Transfer	6,276,427	1.48
				23/12/2016	42,059	Transfer	6,318,486	1.49
				23/12/2016	-42,059	Transfer	6,276,427	1.48
				03/02/2017	-213,000	Transfer	6,063,427	1.43
				24/02/2017	-7,868	Transfer	6,055,559	1.43
				03/03/2017	-4,236	Transfer	6,051,323	1.43
				17/03/2017	-41,258	Transfer	6,010,065	1.42
				24/03/2017	-41,257	Transfer	5,968,808	1.41
				31/03/2017	76,000	Transfer	6,044,808	1.32
				31/03/2017	-297,000	Transfer	5,747,808	1.26
				31/03/2017			5,747,808	1.26
9	MERRILL LYNCH MARKETS SINGAPORE PTE. LTD	0	0.00	31/03/2016			-	0.00
				05/08/2016	1,731	Transfer	1,731	0.00
				12/08/2016	13,433	Transfer	15,164	0.00
				19/08/2016	149,411	Transfer	164,575	0.04
				26/08/2016	710,850	Transfer	875,425	0.21
				02/09/2016	-504,395	Transfer	371,030	0.09
				09/09/2016	8,530	Transfer	379,560	0.09
				16/09/2016	567,088	Transfer	946,648	0.22
				23/09/2016	-37,165	Transfer	909,483	0.22
				30/09/2016	-50,492	Transfer	858,991	0.20
				07/10/2016	176,626	Transfer	1,035,617	0.25

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				14/10/2016	73,207	Transfer	1,108,824	0.26
				21/10/2016	93,271	Transfer	1,202,095	0.29
				28/10/2016	-101,500	Transfer	1,100,595	0.26
				04/11/2016	54,351	Transfer	1,154,946	0.27
				11/11/2016	39,865	Transfer	1,194,811	0.28
				18/11/2016	163,146	Transfer	1,357,957	0.32
				25/11/2016	-31,854	Transfer	1,326,103	0.31
				02/12/2016	176,648	Transfer	1,502,751	0.36
				16/12/2016	32,550	Transfer	1,535,301	0.36
				23/12/2016	136,755	Transfer	1,672,056	0.40
				30/12/2016	100,049	Transfer	1,772,105	0.42
				06/01/2017	16,100	Transfer	1,788,205	0.42
				13/01/2017	-145,722	Transfer	1,642,483	0.39
				20/01/2017	3,563	Transfer	1,646,046	0.39
				27/01/2017	-248,702	Transfer	1,397,344	0.33
				03/02/2017	-209,243	Transfer	1,188,101	0.28
				10/02/2017	109,228	Transfer	1,297,329	0.31
				17/02/2017	-144,898	Transfer	1,152,431	0.27
				24/02/2017	-140,495	Transfer	1,011,936	0.24
				03/03/2017	22,759	Transfer	1,034,695	0.24
				10/03/2017	255,194	Transfer	1,289,889	0.30
				17/03/2017	-124	Transfer	1,289,765	0.30
				24/03/2017	139,016	Transfer	1,428,781	0.34
				31/03/2017	3,947,589	Transfer	5,376,370	1.18
				31/03/2017			5,376,370	1.18
10	**BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.**	5,166,589	1.23	31/03/2016			5,166,589	1.23
				08/04/2016	104,630	Transfer	5,271,219	1.25
				15/04/2016	2,110	Transfer	5,273,329	1.25
				29/04/2016	-499,932	Transfer	4,773,397	1.13
				06/05/2016	275,000	Transfer	5,048,397	1.20
				13/05/2016	234,000	Transfer	5,282,397	1.26
				27/05/2016	-5,021	Transfer	5,277,376	1.25
				03/06/2016	48,086	Transfer	5,325,462	1.26
				10/06/2016	425,000	Transfer	5,750,462	1.37

DIRECTORS' REPORT (CONTD.)

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				24/06/2016	-50,000	Transfer	5,700,462	1.35
				30/06/2016	-133,678	Transfer	5,566,784	1.32
				01/07/2016	-50,000	Transfer	5,516,784	1.31
				15/07/2016	118,634	Transfer	5,635,418	1.34
				22/07/2016	38,000	Transfer	5,673,418	1.35
				29/07/2016	-21,000	Transfer	5,652,418	1.34
				12/08/2016	60,000	Transfer	5,712,418	1.36
				19/08/2016	22,736	Transfer	5,735,154	1.36
				02/09/2016	-50,000	Transfer	5,685,154	1.35
				09/09/2016	-306,449	Transfer	5,378,705	1.28
				16/09/2016	-154,619	Transfer	5,224,086	1.24
				23/09/2016	-50,000	Transfer	5,174,086	1.23
				30/09/2016	14,886	Transfer	5,188,972	1.23
				07/10/2016	100,000	Transfer	5,288,972	1.25
				14/10/2016	-2,222	Transfer	5,286,750	1.25
				04/11/2016	-150,550	Transfer	5,136,200	1.22
				11/11/2016	-95,000	Transfer	5,041,200	1.19
				18/11/2016	-2,853	Transfer	5,038,347	1.19
				25/11/2016	394,863	Transfer	5,433,210	1.29
				02/12/2016	50,000	Transfer	5,483,210	1.30
				09/12/2016	-50,000	Transfer	5,433,210	1.29
				23/12/2016	-100,000	Transfer	5,333,210	1.26
				30/12/2016	-52,070	Transfer	5,281,140	1.25
				06/01/2017	-384,000	Transfer	4,897,140	1.16
				13/01/2017	50,000	Transfer	4,947,140	1.17
				03/02/2017	-101,148	Transfer	4,845,992	1.15

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 1, 2016)		Date	Increase / Decrease in share holding	Reason	Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				17/02/2017	-200,000	Transfer	4,645,992	1.10
				24/02/2017	80,000	Transfer	4,725,992	1.12
				03/03/2017	-6,336	Transfer	4,719,656	1.11
				10/03/2017	-20,000	Transfer	4,699,656	1.11
				17/03/2017	-410,000	Transfer	4,289,656	1.01
				24/03/2017	-250,000	Transfer	4,039,656	0.95
				31/03/2017	666,105	Transfer	4,705,761	1.03
				31/03/2017			4,705,761	1.03

Note: Top ten shareholders of the Bank as on March 31, 2017 has been considered for the above disclosure.

#The variation in terms of percentage is due to increase in paid up share capital of the Bank on account of allotment of shares pursuant to exercise of options under the ESOP scheme(s) and under Qualified Institutions Placement (QIP) during the year ended March 31, 2017, without change in the number of number of shares, wherever applicable, as on March 31, 2017.

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name of Director and KMP	Shareholding at the beginning of the year (April 01, 2016)		Change in Shareholding (No. of Shares)		Shareholding at the end of the year (March 31, 2017)	
		No. of shares	% of total shares of the Bank	Increase	Decrease	No. of shares	% of total shares of the Bank
	Directors						
1.	Saurabh Srivastava	1,610	0.00	-	-	1,610	0.00
2.	Vasant V. Gujarathi	1,000	0.00	-	-	1,000	0.00
3.	Ajai Kumar	105	0.00	100	-	205	0.00
4.	Rana Kapoor	20,000,000	4.76	-	-	20,000,000	4.38
	KMPs						
1.	Rajat Monga (CFO)	901,271	0.21	100,000	-	1,001,271	0.22
2.	Shivanand Shettigar (CS)	450	0.00	9,496	-	9,946	0.00

V. INDEBTEDNESS

INDEBTEDNESS OF THE BANK INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

In ₹ millions

		Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR					
i)	Principal Amount	10,000	306,590	-	316,590
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	2	6,012	-	6,014
Total (i+ii+iii)		**10,002**	**312,602**	**-**	**322,604**
CHANGE IN INDEBTEDNESS DURING THE FINANCIAL YEAR					
◌	Addition	2,284,303	1,121,656	-	3,405,959
◌	Reduction	2,280,097	1,054,478	-	3,334,575
Net Change		**4,206**	**67,178**	**-**	**71,384**
INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR					
i)	Principal Amount	14,199	371,868	-	386,067

In ₹ millions

		Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
ii)	Interest due but not paid	-	-	-	
iii)	Interest accrued but not due	9	7,912	-	7,921
Total (i+ii+iii)		**14,208**	**379,780**	**-**	**393,988**

*Deposits received by the Bank are in the ordinary course of business does not amount to deposit in terms of the provisions of the Companies Act, 2013, hence, not included hereinabove.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

In ₹

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Rana Kapoor (MD & CEO)	WTD	Manager	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Fixed pay, pension, LTA, Bonus and medical)	54,556,849			54,556,849
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11,428,506			11,428,506
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-			-
2.	Stock Option ◌ Granted during the year	-			-
3.	Sweat Equity	-			-
4.	Commission as % of profit others, specify...	-			-
5.	Others (Company contribution towards PF, Medical Reimbursement)	2,732,424			2,732,424
	Total (A) (Total of remuneration does not include the number of Stock Options)	**68,717,779**			**68,717,779**
	Ceiling as per the Act				'Refer note'

Note:

In terms of the provisions of the Companies Act, 2013, the remuneration payable to MD&CEO shall not exceed 5% of the net profit of the Bank. The remuneration paid to the MD&CEO is well within the said limit.

B. REMUNERATION TO OTHER DIRECTORS:

In ₹

Sr. No.	Particulars of Remuneration	Name of Directors										Total Amount
		Radha Singh*	Diwan Arun Nanda*	M. R. Srini-vasan*	Ajay Vohra*	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Vasant Gujarathi	Brahm Dutt	Saurabh Srivastava	Ajai Kumar	Ashok Chawla	
(1)	Independent Directors											
	Fee for attending board / committee meetings		100,000			1,200,000	1,100,000	1,450,000	950,000		1,350,000	6,150,000
	Commission		250,000		500,000	1,000,000	1,000,000	1,000,000	500,000			4,250,000
	Others, please specify (Fixed pay)		-		-	-	-	-	-		1,266,129	1,266,129
Total (1)			**350,000**		**500,000**	**2,200,000**	**2,100,000**	**2,450,000**	**1,450,000**		**2,616,129**	**11,666,129**
(2)	Other Non-Executive Directors											
	Fee for attending board / committee meetings	800,000		950,000						1,700,000		3,450,000
	Commission	-		1,000,000						-		1,000,000
	Others, please specify (Fixed pay, pension, LTA, Bonus and medical)	1,387,097		-						-		1,387,097
Total (2)		**2,187,097**		**1,950,000**						**1,700,000**	**-**	**5,837,097**
Total (B)=(1+2)		**2,187,097**	**350,000**	**1,950,000**	**500,000**	**2,200,000**	**2,100,000**	**2,450,000**	**1,450,000**	**1,700,000**	**2,616,129**	**17,503,226**
	Total Managerial Remuneration											
	Overall Ceiling as per the Act											'Refer Note'

Note:

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

*ceased to be a director on the Board of the Bank.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

In ₹

Sr. No.	Particulars of Remuneration	Name of KMP CFO	CS	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (Fixed pay, pension, LTA, Bonus and medical)	83,364,319	9,285,770	92,650,089
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		32,400	32,400
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961			
2.	Stock Option			
	◌ Granted during the year		5000 options	
3.	Sweat Equity			
4.	Commission as % of profit			
	others, specify...			
5.	Others (Company contribution towards PF, Medical Reimbursement)	2,001,945	323,860	2,325,805
Total (A) (Total of remuneration does not include the number of Stock Options)		**85,366,264**	**9,642,030**	**95,008,294**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

In ₹

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

REPORT ON CORPORATE GOVERNANCE

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2017)

I BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

YES BANK is committed to set the highest standards of Corporate Governance right from its inception 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'.

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, your 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 your 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'.

We believe that an active, well-informed and independent Board is necessary to ensure the 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 our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of our stakeholders.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Bank.

ENVIRONMENTAL, SOCIAL & GOVERNANCE RATING

Corporate Governance has become an important agenda for policy makers around the world. Over the last few decades corporate governance is getting an ever increasingly importance across the globe. Your Bank is pleased to report that MSCI Environmental, Social & Governance (**'ESG'**) Research has assigned 'AAA' Rating to YES Bank. It highlights the Bank's key strengths in Financial Product Safety, Corporate Governance and Financial System Instability. The 'AAA' rating reaffirms the Bank's 360 degree risk framework which includes ESG parameters and underscores the Bank's ability to proactively mitigate emerging risks and create new opportunities in India's sunrise sectors. The said rating indicates Bank's capability with respect to ESG performance and its commitment towards value creation for all its stakeholders. The Bank endeavors to benchmark itself with the best of companies in India and globally, to maintain the highest ratings for its ESG practices. In 2016, your Bank also continued to be the only Indian Bank included as an index component in Dow Jones Sustainability Indices ('**DJSI**') Emerging Markets for the second consecutive year.

Your Bank has closely aligned its corporate governance practices with shareholders' interests, undertaking in-depth reporting and disclosures on all key aspects of the business. Your Bank is a benchmark institution for Triple Bottom Line accounting and reporting in India and in FY16, became the first Indian bank to release a Sustainability report based on the Integrated

Reporting guidelines of the International Integrated Reporting Council, while continuing to adhere with Global Reporting Initiative (GRI) G4 guidelines. Your Bank has also received ISO 27001 certification for its information security management system and data privacy policies.

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 in accordance with the best practices in Corporate Governance.

The Corporate Governance philosophy of your Bank establishes that the Board's independence is essential to bring objectivity and transparency in the Management and in the dealings of the Bank.

The Board presently comprises of 7 Directors, 5 of them being Independent Directors, representing diverse combination of professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and 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.

The Board functions as a full Board and through various Committees constituted to oversee specific areas. Overall direction and strategy, Policy formulation, Succession Planning, setting up of goals, evaluation of performance and control functions vest with the Board. The Committees have oversight of operational issues assigned to them by the Board. The dates of the meetings of the Board and Committees are decided in advance and the Agenda documents are sent to the Board and the Committee members in compliance with the provisions of the Companies Act, 2013, Secretarial Standards and the Listing Regulations. This enables the Board members to manage their schedule effectively and prepare for the meetings in advance.

During the year under review, Mr. Ashok Chawla has been appointed as Non-Executive (Independent) Part-Time Chairman with effect from October 30, 2016. Mr. Ajay Vohra, Independent Director ceased to be the Director of the bank with effect from April 28, 2016, Mr. Diwan Arun Nanda, Independent Director and Mr. M. R. Srinivasan, Non-Executive Non-Independent Director ceased to be the Directors of the Bank at the close of business hours on October 22, 2016 and Ms. Radha Singh, Non-Executive Part-time Chairperson ceased to be the Director with effect from close of business hours on October 29, 2016.

The Composition of the Board of Directors of the Bank as on March 31, 2017, was as follows:

Sr. No.	Name of the Director	Category
1	Mr. Rana Kapoor	Promoter, Managing Director & CEO
2	Mr. Ashok Chawla	Non-Executive (Independent) Part-Time Chairman
3	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director
4	Mr. Brahm Dutt	Independent Director
5	Mr. Vasant V. Gujarathi	Independent Director
6	Mr. Saurabh Srivastava	Independent Director
7	Mr. Ajai Kumar	Non-Executive Non-Independent Director

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Notes:

- Brief profile of the Directors retiring by rotation and eligible for re-appointment forms part of the Notice convening 13th Annual General Meeting.
- Brief profiles of all the Directors are available on the website of the Bank at https://www.yesbank.in/about-us/our-team.
- In terms of Section 10 (2A) of the Banking Regulation Act, 1949, all Directors other than the Chairperson and/or Whole-time Directors or MD & CEO cannot hold office continuously for a period exceeding eight years.
- The Nomination & Remuneration Committee 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 Reserve Bank of India. The adherence to the 'fit and proper' criteria by the members of the Nomination & Remuneration Committee is evaluated by the Board of Directors every year.

GOVERNANCE STRUCTURE

BOARD OVERSIGHT

BOARD OF DIRECTORS

Audit Committee	Risk Monitoring Committee	Board Credit Committee	IT Strategy Committee
Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders Relationship Committee	Fraud Monitoring Committee
Service Excellence, Branding & Marketing Committee	Board Committee on Willful Defaulters & Non-Cooperative Borrowers	Capital Raising Committee	Committee of Independent Directors

TOP MANAGEMENT OVERSIGHT

MD & CEO

STRATEGY MANAGEMENT COMMITTEE/ENTERPRISE RISK & CAPITAL COMMITTEE

Management Credit Committee	Executive Credit Committee	Operational Risk Management Committee	Asset & Liability Management Committee
Reputation Risk Management Committee	IT Steering Committee	Product Process Approval Committee	Outsourcing Management Committee
Investment and Financial Market Management Committee	Fraud & Suspicious Transaction Monitoring Committee	Enterprise Risk Management & Capital Management Committee	Standing Committee on Customer Service
Security Council	Standing Committee for IFRS (IND AS)	Whistle Blower Committee	Model Assessment Committee

PRODUCT & RELATIONSHIP MANAGEMENT **SUPPORT FUNCTIONS**

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 also in line with the provisions of the Companies Act, 2013 and Regulations 17 & 19 of the Listing Regulations which provides for carrying out the performance evaluation of the Individual Directors including Independent Directors and Non- Independent Directors, Managing Director & CEO, Chairperson, Committees of the Board and the Board as a whole.

Further, The Securities and Exchange Board of India (**'SEBI'**) vide circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017 had come up with a "Guidance Note on Board Evaluation". The Board Evaluation framework of the Bank has been appropriately amended to align with this Guidance Note.

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.

The following process is being followed by the Bank for performance evaluation of the Individual Directors including IDs and Non-IDs, Managing Director & CEO, Chairperson, Committees of the Board and the Board as a whole:

- The Committee of Independent Directors (**'CoIDs'**) evaluates the performance of Non-Independent Directors including Managing Director & CEO, and Chairperson 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 Board evaluates the performance of 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 Committee of Independent Directors 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 shall also consider the performance evaluation of Board as a whole as per the report of the CoID and shall also review 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 CHAIRPERSON

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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

In addition to the above criteria, following are the parameters for the performance evaluation of MD & CEO and Chairperson:

- Managing Director & CEO
  Performance of the Bank; Recognition and awards to the Bank; and Recognition and awards to the MD & CEO.

- Chairperson
  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 2017 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.

Some of the decisions taken by the Board, post performance evaluation are:

1. Reconfirm that the Board of the Bank is well balanced in terms of diversity of experience and skill sets to meet the requirements of the Bank.

2. The Board and its committees were effective in achieving their respective charters and the members acted with diligence and care.

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 & Proper criteria and Succession Planning" of the Bank.

B) POLICY ON APPOINTMENT OF DIRECTORS

Your 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 board of directors as required under the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and other regulatory 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 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. In terms of the Fit and Proper Policy, N&RC 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 Fit & Proper 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/re-appointment of Directors to the Shareholders for approval, after taking into consideration the results of performance evaluation, and other statutory requirements. The Board also recommends the appointment of Managing Director & CEO and the Part-time Chairman for the approval of Reserve Bank of India.

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. Criterion for the Independence is as under:

An Independent Director is a Director other than a Managing Director or a Whole time Director or a Nominee Director, who:-

(I) is a person of integrity and possesses relevant expertise and experience, in the opinion of the Board of Directors;

(II) is or was not a Promoter of the Company or its holding, subsidiary or associate Company;

(III) is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;

(IV) apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;

(V) none of whose relative, has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year.

(VI) neither himself nor any of his relatives —

i. holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed.

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed, of

A. a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or

B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

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iii. holds together with his relatives two percent or more of the total voting power of the Company; or

iv. is a Chief Executive or Director, by whatever name called, of any Non-Profit Organization that receives twenty-five percent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;

v. is a material supplier, service provider or customer or a lessor or lessee of the Company;

(VII) is not less than 21 years of age.

(VIII) possesses such other qualifications as may be prescribed under the Companies Act, 2013 or by any other authorities.

The maximum tenure of an Independent Director is two terms of five years each. However, the second term is subject to approval by shareholders by way of special resolution.

C) REMUNERATION POLICY

REMUNERATION POLICY FOR EMPLOYEES OF THE BANK

The objective of the Compensation and Benefits Policy of the Bank is to provide a fair and transparent structure that helps in retaining and acquiring the talent pool critical to build competitive advantage and an Employer brand under adequate supervision and control. The Policy 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 compensation framework is aligned with the performance management system and differentiates pay appropriately amongst its executives based on degree of contribution, skill and availability of talent owing to competitive market forces by taking into account factors such as role, skills, competencies, experience and grade/seniority. Your Bank would also strive to achieve the long term association with its employees by providing long term wealth creation opportunities through stock option schemes.

REMUNERATION POLICY FOR DIRECTORS

In terms of the provisions of the Companies Act, 2013, Listing Regulations and Banking Regulation Act, 1949, the Bank has a Board approved Remuneration Policy for Directors including Chairperson. The Board annually reviews the policy and last reviewed on April 19, 2017. The details of the said policy are as follows:

REMUNERATION OF EXECUTIVE DIRECTORS

The Bank has a Board approved 'Compensation & Benefits Policy' (**'C&B Policy'**) which deals with the Compensation & Benefits of the Managing Director & CEO and the Whole-time Directors. The remuneration of all the Executive Directors shall be governed by the C&B Policy.

The remuneration of the Executive Directors is recommended by the N&RC to the Board for approval after considering the factors prescribed under the C&B Policy.

The Board considers the recommendations of N&RC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals.

The remuneration payable to Executive Directors is subject to prior approval of the RBI. Therefore, the remuneration or any revision in remuneration to Executive Directors is payable only after receipt of the approval from RBI.

REMUNERATION OF CHAIRPERSON

The N&RC recommends the remuneration of the Non-Executive Chairperson to the Board which

is considered and approved by the Board subject to Shareholders' and regulatory approvals. The N&RC, while recommending the remuneration of the Non-Executive Part-time Chairperson considers the following factors:

(a) Function, Role and Responsibilities of the Chairperson,

(b) Comparison with the peer banks,

(c) Industry benchmarking,

(d) Regulatory guidelines as applicable, etc.

The remuneration payable to the Chairperson is subject to prior approval of the RBI. Therefore, the remuneration or any revision in remuneration of the Chairperson is payable only after receipt of the approval from RBI.

REMUNERATION OF NON-EXECUTIVE DIRECTORS (NEDs)

The NEDs are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, Listing Regulations and other regulatory/statutory guidelines, as amended from time to time. Any change in sitting fees shall be recommended by the N&RC and approved by the Board of Directors of the Bank. The N&RC considers the following factors while recommending the change in the sitting fees to the Board:

(a) Contribution expected from Directors considering size and complexity of organisation,

(b) Comparison with the peer Banks/Industry benchmarking,

(c) Regulatory guidelines, as applicable, etc.

The NEDs are entitled to reimbursement of expenses for participation in the meeting of the Board and Committee thereof.

The Board while approving the revision in the sitting fees payable to Directors for attending the meeting of the Board and Committee thereof, considers the recommendation of the N&RC.

The RBI vide Circular No. DBR. No.BC.97/29.67.001/2014-15 dated June 01, 2015 issued Guidelines on Compensation of Non-Executive Directors of Private Sector Banks emphasizing that in order to enable banks to attract and retain professional directors, it is essential that such directors are appropriately compensated. Accordingly, RBI vide above circular allowed payment of remuneration by way of profit based commission to NEDs except part-time chairperson upto a maximum limit of ₹ 10 lakhs per annum per Director. Also, Section 197 of the Companies Act, 2013 provides for the payment of profit based commission to the Directors who are neither Managing Directors nor Whole-time Directors not exceeding One per cent (1%) of the net profits of the company, if there is a Managing /Whole-time Director/Manager or three per cent (3%) of the net profits in any other case. In line with the above provisions, the Non-Executive Directors of the Bank other than Part-time Chairperson may be paid compensation in the form of profit related Commission in addition to the sitting fees.

The N&RC shall recommend the compensation in form of profit based commission for each of the Non-Executive Director other than Non-Executive Part-time Chairperson to the Board, basis the Limits and criteria for payment of Profit based Commission as set out above. The Board, thereafter considering the recommendations of N&RC, may approve the same subject to Shareholders' approval.

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The payment of profit based commission to Non-Executive Directors other than Non-Executive Chairperson shall be recommended by the Board basis the following criteria:

A. Outcome of the annual performance evaluation;

B. Attendance and participation of such Non-Executive Director at the Board/Board Committee Meetings;

C. Comparison with the peer banks;

D. Industry benchmarking;

E. Regulatory guidelines, as applicable, etc

The compensation in the form of profit based commission can be paid only after the approval of the Shareholders of the Bank.

The payment of profit based commission to Non-Executive Directors excluding Part-time Chairperson has been approved by the Shareholders of the Bank at its meeting held on June 07, 2016 upto a maximum of Rupees Ten Lakhs per Director which is the maximum permitted by the Reserve Bank of India and within the overall cap of one per cent (1%) of the net profits of the Bank, as computed in the manner laid down in section 198 of the Companies Act, 2013.

The Bank does not grant any Stock Options to any Non-Executive Directors.

D) DIRECTORS' REMUNERATION

The details of the remuneration of Directors during FY 2016-17 are given below:

(Amount in ₹)

Name of the Director	Salary and Allowances	Perquisites	Others	Sitting Fees*	Commission$	Total	No. of equity shares held
Executive Directors							
Mr. Rana Kapoor	54,556,849	11,428,506	2,732,424	N.A.	N.A.	68,717,779	20,000,000
Non-Executive Directors							
Mr. Ashok Chawla**	1,266,129	-	-	1,350,000	N.A.	2,616,129	-
Mr. M. R. Srinivasan	-	-	-	950,000	1,000,000	1,950,000	-
Ms. Radha Singh	1,387,097	-	-	800,000	N.A.	2,187,097	-
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	-	-	-	1,200,000	1,000,000	2,200,000	-
Mr. Ajay Vohra	-	-	-	-	500,000	500,000	-
Mr. Diwan Arun Nanda	-	-	-	100,000	250,000	350,000	-
Mr. Vasant V. Gujarathi	-	-	-	1,100,000	1,000,000	2,100,000	1,000
Mr. Saurabh Srivastava	-	-	-	950,000	500,000	1,450,000	1,610
Mr. Brahm Dutt	-	-	-	1,450,000	1,000,000	2,450,000	-
Mr. Ajai Kumar**	-	-	-	1,700,000	N.A.	1,700,000	205

$Commission pertaining to FY 2015-16 paid during FY 2016-17.

*The Non-Executive Directors were paid sitting fees of ₹ 1,00,000/- for attending each meeting of the Board of Directors and ₹ 50,000 for attending any Board Committee Meetings.

**Includes ₹ 1,00,000 as sitting fees for attending the Board Committee meetings as Invitee.

Notes:

a) The Bank did not pay any amount to directors by way of salary and perquisites except to the MD & CEO and the Part-time Chairman.

b) The Bank has not issued any stock options to its Directors.

c) There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Bank (except normal banking transactions).

d) The Managing Director & CEO is being paid remuneration as recommended by the N&RC and approved by the Board of Directors, Reserve Bank of India and within the limit as approved by the members. The details of remuneration of Mr. Rana Kapoor, Managing Director & CEO for FY 2016-17 have also been disclosed in the Directors' Report.

e) Mr. Ashok Chawla has been appointed as Non-Executive (Independent) Part-time Chairman of the Bank w.e.f. October 30, 2016. Mr. Chawla has been paid remuneration as recommended by the N&RC and approved by the Board of Directors and Reserve Bank of India. The remuneration of Mr. Chawla w.e.f. October 30, 2016 as approved by RBI will be placed before the members at the ensuing AGM for their approval.

f) Mr. Ajay Vohra on completion of 8 years of directorship in the Bank (the maximum permitted tenure of directorship as per the Banking Regulation Act, 1949) had ceased to be the Director of the Bank w.e.f. April 28, 2016.

g) Mr. M. R. Srinivasan, Non-Executive Non-Independent Director and Mr. Diwan Arun Nanda, Independent Director of the Bank have on October 22, 2016 completed their tenure as Directors on the Board of the Bank in terms of RBI approval dated March 04, 2015.

h) Ms. Radha Singh, on completion of her tenure as Non-Executive Part-time Chairperson ceased to be the Director of the Bank at the close of business hours on October 29, 2016.

E) FAMILIARIZATION PROGRAM FOR BOARD MEMBERS

Your Bank had conducted various sessions during the financial year to familiarize Independent and other Directors with the Bank, their roles, rights, responsibilities in the Bank, nature of the Banking Industry, business model, risk management system and technology architecture of the Bank. During the financial year, the Directors attended/received training on the Board evaluation, familiarize newly appointed Directors on business of the Bank, Various Regulatory and Supervisory issues relating to banks, etc. Further, the Directors are also encouraged to attend the training programs being organized by various Regulators/Bodies/ Institutions. The details of such familiarization programs are displayed on the website of the Bank at (https://www.yesbank.in/investor-relations/corporate-governance.html).

F) INFORMATION SUPPLIED/AVAILABLE TO THE BOARD

The Board has complete access to all the relevant information within the Bank and also access to the Top Management of the Bank. The information shared on a regular basis with the Board specifically includes:

- All relevant agenda papers pertaining to the Board/Committees are being circulated well in advance to the Directors of the Bank through environmental friendly 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.

- All Board and Committee meetings are governed by structured agenda note which is backed by comprehensive background along with relevant attachments.

- Minutes of meetings of Board and Board Committees, resolutions passed by circulations and Board minutes of the unlisted subsidiary company.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- Regular business updates.
- Risk related matters.
- Update on Corporate Social Responsibility activities.

G) POST MEETING INTERNAL COMMUNICATION / FOLLOW UP SYSTEM

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 are being placed before the Board/Committees from time to time.

III BOARD MEETINGS

Five Board Meetings were held during the Financial Year ended March 31, 2017 i.e. April 26 & 27, 2016, June 7, 2016, July 27, 2016, October 20, 2016 and January 19, 2017. The maximum gap between any two Board meetings was less than One Hundred and Twenty days.

The Board was presented with the information on various important matters of operations and business, new initiatives in business, budgets, financial results, minutes of audit and other committees, appointment or cessation and remuneration of the Senior Management and 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, Theme Based Review agenda as prescribed by RBI, etc.

The names of the members of the Board, their category, their attendance at the Board Meetings and the last Annual General Meeting (AGM), number of other Directorships and Committee membership(s)/chairmanship(s) of each Director are as under:

Name of the Director	Category	DIN Nos.	No. of Board meetings held	No. of Board meetings attended	Attendance at AGM held on June 07, 2016	Number of other Directorships		Number of Committee memberships (Chairmanship) in other Companies[2]
						Of Indian Public Limited Companies	Of other Companies[1]	
Mr. Rana Kapoor	Promoter, MD & CEO	00320702	5	5	Yes	1	1	-
Mr. Ajay Vohra*	Independent Director	00012136	1	0	NA	-	1	-
Mr. Diwan Arun Nanda**	Independent Director	00034744	4	0	No	1	6	-
Mr. M. R. Srinivasan**	Non-Executive Non-Independent Director	00056617	4	4	Yes	-	-	-
Ms. Radha Singh***	Non-Executive Part-time Chairperson	02227854	4	4	Yes	3	-	4(1)
Mr. Ashok Chawla	Non-Executive (Independent) Part-time Chairman	00056133	5	5	Yes	1	-	2(1)
Mr. Saurabh Srivastava	Independent Director	00380453	5	4	Yes	4	9	3(1)

Name of the Director	Category	DIN Nos.	No. of Board meetings held	No. of Board meetings attended	Attendance at AGM held on June 07, 2016	Number of other Directorships		Number of Committee memberships (Chairmanship) in other Companies[2]
						Of Indian Public Limited Companies	Of other Companies[1]	
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	05155598	5	5	Yes	1	-	1
Mr. Brahm Dutt	Independent Director	05308908	5	5	Yes	2	-	2(2)
Mr. Vasant V. Gujarathi	Independent Director	06863505	5	4	Yes	1	-	1(1)
Mr. Ajai Kumar	Non-Executive Non-Independent Director	02446976	5	5	Yes	1	-	1(1)

*Mr. Ajay Vohra on completion of 8 years of directorship in the Bank (the maximum permitted tenure of directorship as per the Banking Regulation Act, 1949) had ceased to be the Director of the Bank with effect from April 28, 2016.

**Mr. M. R. Srinivasan, Non-Executive Non-Independent Director and Mr. Diwan Arun Nanda, Independent Director of the Bank have on October 22, 2016 completed their tenure as Directors on the Board of the Bank in terms of RBI approval dated March 04, 2015.

***Ms. Radha Singh, on completion of her tenure as Non-Executive Part-time Chairperson ceased to be the Director of the Bank at the close of business hours on October 29, 2016.

[1]*Includes directorship held in Foreign Companies, Private Limited Companies and Section 8 Companies in India.*

[2]*Includes memberships of Audit Committee and Stakeholders Relationship Committee of all Indian Public Limited Companies; figures in brackets indicate number of Committee Chairmanships as per Regulation 26 of the Listing Regulations.*

Notes:

a. None of the Directors of the Bank were members of more than 10 committees or acted as Chairperson of more than 5 committees across all Public Limited Companies in which they were Directors in terms of Regulation 26 of the Listing Regulations.

b. None of the Directors held directorship in more than 10 Public Limited Companies.

c. None of the Directors were related to any Director or were a member of an extended family.

d. None of the Independent Directors of the Bank served as Independent Director in more than 7 listed companies.

e. Mr. Rana Kapoor, MD & CEO, was not an Independent Director of any other listed company.

IV BOARD COMMITTEES

The Board has constituted various Committees of Directors to monitor the activities falling within their terms of reference. The Board Committees focus on specific areas and make informed decisions within the authority delegated. These Committees 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

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Banking Regulation Act, 1949 and to meet the business requirements during the year under review.

The Bank had twelve Committees as on March 31, 2017 and these are briefly described below.

1) AUDIT COMMITTEE

TERMS OF REFERENCE:

The terms of reference of the Audit Committee include:

i. Providing directions and oversee the operation of the total audit function in the Bank (internal as well as external);

ii. Creating an open avenue for communication between the Board of Directors, Internal Auditors and the Independent Auditors;

iii. Recommending the appointment including terms of appointment and removal of statutory, internal and concurrent auditors, fixation of audit fees and also to approve payment for other services;

iv. Review and monitoring the auditor's independence and performance, and effectiveness of audit process;

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

vi. Reviewing the results/financial statements (quarterly, half yearly, annual) standalone as well as consolidated and analyze performance of the Bank, along with the Management, before the same are forwarded 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; and

   h. modified opinions in the draft audit report.

vii. Examination of the financial statement and the auditors' report thereon;

viii. Scrutiny of inter-corporate loans and investments;

ix. Valuation of undertakings or assets of the Bank, wherever it is necessary;

x. Annual Tax Audit statement and auditors' report thereon;

xi. Review of Annual Long Form Audit Report as prepared by the Statutory Auditors;

xii. Periodic inspection report submitted by the RBI;

xiii. Certificates/ returns/ reports to the RBI pertaining to the Audit Committee function;

xiv. Monitoring the adequacy of the internal control environment, adequacy of checks and balances including Management Information Systems (MIS) and the 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;

xv. Discussions and review with the Internal and Concurrent Auditors their reports/findings with an objective of reporting any significant / material findings to the Board;

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

xvii. Approving any subsequent modification of transactions with related parties;

xviii. Instituting special investigation teams with complete access to all records, information and personnel of the Bank, if necessary;

xix. Scrutinizing the reasons for default, if any, in payments to Depositories, Debenture holders, Shareholders, Creditors, etc. and legal matters that could have a significant impact on the financial statements;

xx. Reviewing the Whistle blower policy and Vigil Mechanism for Directors and Employees;

xxi. Evaluating the internal financial controls and risk management systems;

xxii. Calling for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Bank;

xxiii. Investigating into any matter in relation to the items specified or referred to it by the Board and for the said purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Bank;

xxiv. To investigate any activity within its terms of reference;

xxv. Seeking information from any employee;

xxvi. Obtaining outside legal or other professional advice;

xxvii. Securing attendance of outsiders with relevant expertise, if it considers necessary;

xxviii. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

xxix. Reviewing compliance function of the Bank on quarterly and annual basis;

xxx. To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

xxxi. Approve appointment of CFO (i.e., the whole-time Finance Director or any other

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person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

xxxii. Review the following information:
   a. Management discussion and analysis of financial condition and results of operations;
   b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
   c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
   d. Internal audit reports relating to internal control weaknesses; and
   e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

xxxiii. Review the statement of deviations:
   a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

xxxiv. Performing 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.

Six Audit Committee Meetings were held during FY 2016-17 i.e. on April 26, 2016, July 26, 2016, September 2, 2016, October 19, 2016, January 18, 2017 and March 17, 2017 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. Ajay Vohra *(ceased to be a member w.e.f. April 27, 2016)*	Independent Director	1	0
Mr. M. R. Srinivasan *(ceased to be a member w.e.f. October 22, 2016)*	Non-Executive Non-Independent Director	4	4
Mr. Vasant V. Gujarathi, Chairman	Independent Director	6	5
Mr. Brahm Dutt	Independent Director	6	6
Mr. Ashok Chawla *(appointed as a member w.e.f. April 27, 2016)*	Independent Director	5	5
Mr. Saurabh Srivastava	Independent Director	6	5
Mr. Ajai Kumar *(appointed as a member w.e.f. April 27, 2016)*	Non-Executive Non-Independent Director	5	5

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, three resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

Mr. Shivanand R. Shettigar, Company Secretary, acts as the Secretary to the Audit Committee.

2) RISK MONITORING COMMITTEE

TERMS OF REFERENCE:

The terms of reference of the Risk Monitoring Committee include:

i. Identification, monitoring and measurement of the risk profile of the Bank (including market risk, operational risk, transactional risk and credit risk);

ii. Overseeing its integrated risk measurement system and review of the risk models;

iii. Approval of the risk management policies and structure of risk management systems;

iv. Overseeing the credit approval process;

v. Developing policies and procedures for setting of quantitative prudential limits on various products and segments of the Bank's operations;

vi. Monitoring compliance of various risk parameters by operating departments;

vii. Developing an integrated framework for charting/categorizing various types of loans, determining implications on quality;

viii. Review of returns and reports to the Reserve Bank of India pertaining to the Risk Monitoring function; and

ix. To review the minutes of Executive level Committees such as Asset Liability Management Committee, Management Credit Committee, Operational Risk Management Committee, Outsourcing Management Committee, Security Council Meeting – Information & Physical Security, Reputational Risk Management Committee, Enterprise Risk and Capital Committee and any other risk related Committees.

Four Risk Monitoring Committee meetings were held during the FY 2016-17 i.e. on April 26, 2016, July 26, 2016, October 19, 2016 and January 18, 2017. 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. Ajay Vohra *(ceased to be a member w.e.f. April 27, 2016)*	Independent Director	1	0
Mr. M. R. Srinivasan *(ceased to be a member w.e.f. October 22, 2016)*	Non-Executive Non-Independent Director	3	3
Mr. Ajai Kumar, Chairman *(appointed as a member w.e.f. April 27, 2016)*	Non-Executive Non-Independent Director	3	3
Mr. Rana Kapoor	MD & CEO	4	4
Mr. Vasant V. Gujarathi *(ceased to be a member w.e.f. April 27, 2016)*	Independent Director	1	1
Mr. Brahm Dutt *(appointed as a member w.e.f. April 27, 2016)*	Independent Director	3	3
Mr. Ashok Chawla *(appointed as a member w.e.f. April 27, 2016)*	Independent Director	3	3

Chairman– NID and Composition – 50% IDs
[@] Number of meetings held during the tenure of the Director as a member/chairman of the Committee.

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3) NOMINATION & REMUNERATION COMMITTEE:

TERMS OF REFERENCE:

The terms of reference of the Nomination & Remuneration Committee include:

i. Reviewing the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;

ii. Examining 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 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;

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. Formulating the criteria for evaluation of performance of independent directors and the board of directors;

vii. Carrying out evaluation of every director's performance;

viii. To evaluate 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;

xv. Reviewing the Bank's overall compensation structure and related polices with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Banks and the industry in general;

xvi. Ensuring 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 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,

xvii. To formulate and determine the Bank's policies on remuneration packages payable to the Directors and key managerial personnel including performance/achievement bonus, perquisites, retirals, sitting fee, etc.;

xviii. To consider grant of Stock Options to employees including employees of subsidiaries and administer and supervise the Employee Stock Option Plans;

xix. 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;

xx. Performing 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.

Four Nomination & Remuneration Committee meetings were held during FY 2016-17 i.e. on April 26, 2016, October 19, 2016, January 18, 2017 and March 17, 2017. The Composition of the Nomination & Remuneration 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
Ms. Radha Singh *(ceased to be a member w.e.f. October 29, 2016)*	Non-Executive Non-Independent Director	2	2
Mr. Brahm Dutt, Chairman	Independent Director	4	4
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	4	4
Mr. Ajai Kumar *(appointed as a member w.e.f. October 30, 2016)*	Non-Executive Non-Independent Director	2	2

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 Board Credit Committee include:

i. To approve credit proposals that is beyond the approval authority of the Management Credit Committee (MCC).

ii. Reviewing specific cases that might need special attention as and when recommended by MCC.

iii. Performing 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.

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Five Board Credit Committee meetings were held during the FY 2016-17 i.e. on April 26, 2016, July 26, 2016, October 19, 2016, January 18, 2017 and March 17, 2017. 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. M. R. Srinivasan *(ceased to be a member w.e.f. October 22, 2016)*	Non-Executive Non-Independent Director	3	3
Ms. Radha Singh *(ceased to be a member w.e.f. October 29, 2016)*	Non-Executive Non-Independent Director	3	3
Mr. Ajai Kumar, Chairman *(appointed as a member w.e.f. April 27, 2016)*	Non-Executive Non-Independent Director	4	4
Mr. Rana Kapoor *(ceased to be a member w.e.f. April 27, 2016)*	MD & CEO	1	0
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	5	5
Mr. Ashok Chawla *(appointed as a member w.e.f. April 27, 2016)*	Independent Director	4	4

Chairman– NID 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 immediately next Committee meetings.

5) STAKEHOLDERS RELATIONSHIP COMMITTEE

TERMS OF REFERENCE:

The terms of reference of the Stakeholders Relationship Committee include:

i. Reviewing and redressing 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 of shares or debentures, issue of duplicate share / debenture certificates, etc.;

ii. Overseeing and reviewing all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities issued by the Bank;

iii. Overseeing the performance of the Registrar and Transfer Agent of the Bank and recommends measures for overall improvement in the quality of investor services;

iv. Reviewing / taking note of various investors presentations / communication with stakeholders;

v. Performing any other function, 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 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 2016-17 i.e. on July 26, 2016 and March 17, 2017. 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. Diwan Arun Nanda *(ceased to be a member w.e.f. October 22, 2016)*	Independent Director	1	1
Mr. Ashok Chawla, Chairman*	Independent Director	2	2
Mr. Saurabh Srivastava	Independent Director	2	1

Chairman– ID and Composition – 100% IDs
**Mr. Ashok Chawla was appointed as Chairman of the Committee w.e.f. April 27, 2016 in place of Mr. Vasant V. Gujarathi.*

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

TERMS OF REFERENCE:

The terms of reference of the Corporate Social Responsibility Committee include:

i. 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;

ii. To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy;

iii. To monitor the CSR Policy of the Bank from time to time;

iv. Instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Bank;

v. Performing 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 2016-17 i.e. on April 27, 2016 and March 17, 2017. 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. Ajay Vohra *(ceased to be a member w.e.f. April 27, 2016)*	Independent Director	1	0
Mr. Diwan Arun Nanda *(ceased to be a member w.e.f. October 22, 2016)*	Independent Director	1	0
Ms. Radha Singh *(ceased to be a member w.e.f October 29, 2016)*	Non-Executive Non-Independent Director	1	1
Mr. Rana Kapoor	MD & CEO	2	2
Mr. Brahm Dutt	Independent Director	2	2
Mr. Ashok Chawla *(appointed as a member w.e.f. April 27, 2016)*	Independent Director	1	1

Chairman– ID and Composition – 67% IDs
@Number of meetings held during the tenure of the Director as a member/chairman of the Committee.

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7) SERVICE EXCELLENCE, BRANDING AND MARKETING COMMITTEE

TERMS OF REFERENCE:

The terms of reference of the Service Excellence, Branding and Marketing Committee include:

i. Reviewing of the product approval process;

ii. Formulating comprehensive deposit policy;

iii. Conducting and reviewing annual survey of depositor satisfaction;

iv. Taking measures for enhancing the quality of customer service;

v. Improving the level of customer satisfaction for all categories of clientele;

vi. Reviewing of branding and marketing activities of the bank; and

vii. Performing any other act, duty 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.

Two Service Excellence, Branding and Marketing Committee meetings were held during FY 2016-17 i.e. on July 26, 2016 and January 18, 2017. 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*	Independent Director	2	2
Mr. Rana Kapoor	MD & CEO	2	2
Mr. Saurabh Srivastava	Independent Director	2	1
Mr. Brahm Dutt	Independent Director	2	2
Mr. Ajai Kumar *(appointed as a member w.e.f April 27, 2016)*	Non-Executive Non - Independent Director	2	2

Chairman– ID and Composition – 60% IDs

** Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) was appointed as Chairman of the Committee w.e.f. April 27, 2016 in place of Mr. Diwan Arun Nanda.*

8) IT STRATEGY COMMITTEE

TERMS OF REFERENCE:

The terms of reference of the IT Strategy Committee include:

i. Performing oversight functions over the IT Steering Committee (at a senior management level);

ii. Investigating activities within this scope;

iii. Seeking information from any employee;

iv. Obtaining outside legal or professional advice;

v. Securing attendance of outsiders with relevant expertise, if it considers necessary;

vi. Working 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. Reviewing 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. Providing guidance on the IT organizational structure to complement the business model;

xi. Reviewing whether the management has implemented processes and practices that ensure that the IT delivers value to the business;

xii. Reviewing that IT investments represent a balance of risks and benefits and that budgets are acceptable;

xiii. Monitoring 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;

xiv. Reviewing whether there is a proper balance of IT investments for sustaining bank's growth;

xv. To become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks;

xvi. Assessing Senior Management's performance in implementing IT strategies;

xvii. To issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);

xviii. To confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;

xix. Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks;

xx. Reviewing the IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value);

xxi. Performing 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.

Four meetings of the IT Strategy Committee were held during the FY 2016-17 i.e. on April 26, 2016, July 26, 2016, October 19, 2016 and January 18, 2017. 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. Diwan Arun Nanda (*ceased to be a member w.e.f. October 22, 2016)*	Independent Director	3	1
Ms. Radha Singh *(ceased to be a member w.e.f. October 29, 2016)*	Non-Executive Non-Independent Director	2	2
Mr. Saurabh Srivastava, Chairman	Independent Director	4	3
Mr. Vasant V. Gujarathi	Independent Director	4	3
Mr. Ajai Kumar (*appointed as a member w.e.f. April 27, 2016)*	Non-Executive Non-Independent Director	3	3

Chairman– ID and Composition – 67% IDs

[@] Number of meetings held during the tenure of the Director as a member/chairman of the Committee.

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9) FRAUD MONITORING COMMITTEE

TERMS OF REFERENCE:

The terms of reference of the Fraud Monitoring Committee include:

i. Monitoring and reviewing in detail all frauds in excess of ₹ 1 crore;

ii. Identifying the systematic lacunae if any, that facilitate perpetration of the fraud and put in place measures to plug the same;

iii. Identifying reasons for delay in detection, if any and reporting of frauds to top management of the Bank and the Reserve Bank of India;

iv. Monitoring progress of Central Bureau of Investigation/Police investigation, and recovery position thereof;

v. Ensuring that staff accountability is examined at all levels in all the cases of frauds and action against staff, if required, is completed quickly, with minimum loss of time;

vi. Reviewing the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal control environment;

vii. Performing any other act, duty 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.

Two Fraud Monitoring Committee meetings were held during the FY 2016-17 i.e. on September 2, 2016 and March 17, 2017. 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. M. R. Srinivasan *(ceased to be a member w.e.f. October 22, 2016)*	Non-Executive Non-Independent Director	1	1
Mr. Rana Kapoor, Chairman	MD & CEO	2	2
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	2	2
Mr. Vasant V. Gujarathi* *(appointed as a member w.e.f. April 27, 2016)*	Independent Director	2	2
Mr. Ajai Kumar *(appointed as a member w.e.f. April 27, 2016)*	Non Executive Non-Independent Director	2	2

Chairman– MD & CEO and Composition – 50% IDs
**Mr. Vasant V. Gujarathi was appointed as member of the Committee w.e.f. April 27, 2016 in place of Mr. Ajay Vohra.*
@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 Capital Raising Committee include:

i. To analyze various options for infusion of capital;

ii. To crystallize pricing and size after negotiations by the management with the potential investment bankers/investors and recommend the same to the shareholders and seek their approval by convening a general meeting/through postal ballot etc.;

iii. To appoint the issue management and issue related agencies;

iv. Incurring necessary expenditure;

v. Delegating all its powers to any member of the Committee;

vi. To do all such acts, deeds as the Board may delegate in connection with the capital raising exercise.

The Capital Raising Committee met once during the FY 2016-17 on March 31, 2017 for allotment of equity shares pursuant to Qualified Institutions Placement. The Composition of the Capital Raising Committee and details of participation of the Members at the Meeting of the Committee held during the year was as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rana Kapoor, Chairman	MD & CEO	1	0
Mr. Vasant V. Gujarathi	Independent Director	1	1
Mr. Ajai Kumar *(appointed as a member w.e.f. July 27, 2016)*	Non-Executive Non-Independent Director	1	1

Chairman– MD & CEO and Composition – 33% IDs

Note: Mr. Diwan Arun Nanda and Mr. M. R. Srinivasan ceased to be members of the Committee w.e.f. July 27, 2016 and October 22, 2016 respectively.

11) BOARD COMMITTEE ON WILLFUL DEFAULTERS & NON-COOPERATIVE BORROWERS

TERMS OF REFERENCE:

The terms of reference of the Committee include:

i. Review and confirmation of the order of the Committee for Classification of borrowers as "Non-Cooperative Borrowers" or "Willful Defaulters";

ii. Reviewing the status of "Non-Cooperative Borrowers" or "Willful Defaulters" at least on an annual interval or at such other intervals as may be required by RBI;

iii. Deciding 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); and

iv. Reviewing, noting and deciding on any matter pertaining to "Non-Cooperative Borrowers" or "Willful Defaulters".

The Board Committee on Willful Defaulters and Non-Co-operative Borrowers met once during the FY 2016-17 on April 26, 2016. The Composition of the said Committee and details of participation of the Members at the Meeting of the Committee held during the year was as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rana Kapoor, Chairman	MD & CEO	1	1
Mr. Vasant V. Gujarathi	Independent Director	1	1
Mr. Brahm Dutt *(ceased to be a member w.e.f. April 27, 2016)*	Independent Director	1	1
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) *(appointed as a member w.e.f. April 27, 2016)*	Independent Director	NA	NA
Mr. Ajai Kumar *(appointed as a member w.e.f. April 27, 2016)*	Non-Executive Non-Independent Director	NA	NA

Chairman– MD & CEO and Composition – 50% IDs

REPORT ON CORPORATE GOVERNANCE (CONTD.)

12) COMMITTEE OF INDEPENDENT DIRECTORS:

TERMS OF REFERENCE:

The terms of reference of the Committee includes:

i. Reviewing the performance of non-independent directors and the Board as a whole;

ii. Reviewing the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii. Assessing 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;

iv. Submitting its report as above to Nomination & Remuneration Committee and the Board of Directors, as the case may be;

v. Performing such other roles as may be prescribed by the Companies Act, 2013, Listing Regulations, 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 once during the FY 2016-17 on April 26, 2016. 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 was as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Ajay Vohra *(ceased to be a member w.e.f. April 28, 2016)*	Independent Director	1	0
Mr. Diwan Arun Nanda *(ceased to be a member w.e.f. October 22, 2016)*	Independent Director	1	0
Mr. Brahm Dutt	Independent Director	1	1
Mr. Vasant V. Gujarathi	Independent Director	1	1
Mr. Saurabh Srivastava	Independent Director	1	1
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), Chairman	Independent Director	1	1
Mr. Ashok Chawla *(became a member w.e.f. June 07, 2016)*	Independent Director	NA	NA

V DISCLOSURES

A) SUBSIDIARY COMPANIES

The Bank did not have any material subsidiary having investment of the Bank during the year under review. 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/investor-relations/corporate-governance.html).

YES Securities (India) Limited (**'YSIL'**) is the only subsidiary of the Bank and the Audited Annual Financial Statements of the YSIL has been provided to the Audit Committee and Board. Mr. Vasant V. Gujarathi, Independent Director of the Bank is a Director on the Board of the YSIL. Minutes of the meetings of the Board of Directors of the YSIL are placed before the Board of the Bank.

B) RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arms'

length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Bank. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time.

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/investor-relations/corporate-governance.html).

C) MD & CEO / CFO CERTIFICATION

The MD & CEO and the 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 the Annual Report.

D) CODE OF CONDUCT AND ETHICS

The confirmation from the Managing Director & CEO regarding compliance with the Code of Conduct and Ethics by all the Directors and Senior Management forms part of the Report. The Code of Conduct and Ethics is displayed on the website of the Bank (www.yesbank.in).

E) CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Bank has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013 with a view to regulate trading in securities of the Bank by the Directors, KMPs and designated employees of the Bank. This code is applicable to all Directors, KMPs, and Employees of the Bank and its Subsidiaries and they are required to abide by the Code of Conduct for Prevention of Insider Trading of the Bank, SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and provisions under Section 195 the Companies Act, 2013 as amended. The Board has delegated powers to MD & CEO for carrying out amendments, if any, in the Code to align it with the amendments in the regulatory requirements, from time to time.

The Code requires pre-clearance for dealing in the Bank's securities beyond threshold limits. Further, it prohibits the purchase or sale of Bank's securities by the Directors, KMPs, Auditors and the employees while in possession of unpublished price sensitive information in relation to the Bank and categorically prohibits the purchase or sale of Bank's securities by the Directors, KMPs, Auditors and the designated employees during the period when the Trading Window is closed. Timely disclosures are made to the Stock Exchanges of the transactions in

REPORT ON CORPORATE GOVERNANCE (CONTD.)

excess of ₹ 10 lakhs. The Bank has procured a system which periodically monitors and facilitates the compliance by the employees with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Bank has also put in place a code of conduct for Managing Director & CEO, KMPs, employees of the respective departments and their immediate relatives for trading in securities of other listed entities. The said code requires pre-clearance for dealing in securities of other listed entities, as the respective departments may have unpublished price sensitive information of other entities due to Business Relationship, Exposures, etc. This ensures that any employee who has unpublished price sensitive information of other entities does not deal in the securities of such other entities.

F) WHISTLE BLOWER POLICY

In line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Reserve Bank of India.

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 is available on the website of the Bank https://www.yesbank.in/pdf/whistleblowerpolicy for stakeholders' perusal.

G) 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.

H) HUMAN RIGHTS – BEST PRACTICES

With the objective of mitigating risk by enhancing the Fraud awareness levels at the organization level, the Fraud Containment Unit & Risk Management team in partnership with YES SCHOOL OF BANKING (**'YSB'**) deploys awareness and need based Fraud & Risk training programs as per the

clearly articulated Fraud Awareness/Risk Trainings Framework. As per the Fraud/risk management training framework, multiple focus areas were scoped out targeted at varied audiences in the Bank and covers areas like Regulatory Guidelines, Fraud Awareness, Enterprise Risk and Compliance, IT Security, Credit Risk, Business Continuity, Operational Risk and YES to GRACE.

TRAININGS CONDUCTED FOR OTHER BUSINESS UNITS:

Fraud prevention/awareness sessions are covered as part of the Corporate Induction training provided to all new joinees (both Lateral and Management graduates), by Human Capital Management department (**'HCM'**) / YSB. Fraud Containment, Risk and Compliance topics like Code of Conduct, Basics of Information Security, Training on KYC and AML and Basics of ORM are covered for all Business Units.

- YES to Gender Respect & Commitment to Equality (Regarding Prevention & Prohibition of Sexual Harassment at Workplace) Class Room & E-Learning session are conducted.
- Risk Management and Compliance Trainings for Existing Executives: Classroom Sessions delivered by SMEs on topics like Fraud, OR, BCM, RCSA, IT Security, Credit Risk, Processes and Procedures, Training on KYC and other Risk Programs.
- New Joinees across Branch Banking undergo the following: KYC & AML, Basics of IT Security, Code of Conduct, Compliance & Risk, Basics of ORM, BCM, RCSA Online.
- Knowledge Quiz, E-Learning on Fraud, KYC/AML, BCSBI & YES to GRA.

I) GREEN INITIATIVE IN CORPORATE GOVERNANCE

Your Bank has promoted and administered the "Green Initiative" proposed by the Ministry of Corporate Affairs and the Bank has been effecting the electronic delivery of Notice of Annual General Meeting and Annual Report to the shareholders whose email ids are registered with the respective depository participants. The Companies Act, 2013 and Rules thereunder and Listing Regulations provide for circulation of Financial Statements electronically to the shareholders.

Your 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. This initiative of the Bank has resulted in considerable saving on paper and expenditure.

J) COMPLIANCE WITH MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS

The Board of Directors quarterly reviews the compliance of all applicable laws. 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. Your Bank has obtained certificate affirming the Compliances from M/s. BNP & Associates, Company Secretaries and the same is attached to the Board's Report.

K) COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS

In addition to the mandatory requirements, your Bank has also adopted the following non-mandatory requirements under Regulation 27(1) of the Listing Regulations:

REPORT ON CORPORATE GOVERNANCE (CONTD.)

(I) SHAREHOLDERS' RIGHTS

The Bank has a policy of announcement of the quarterly results. The results, as approved by the Board of Directors are first submitted to Stock Exchanges within 30 minutes (under Regulation 30 of the Listing Regulations) of the conclusion of the meeting. Once taken on record by the Stock Exchanges, the same were disseminated in the media through press release. The quarterly results are also published in newspapers and uploaded on Bank's website www.yesbank.in. Further, an earnings call is also organized, where the management responds to the queries of the investors/analysts. The transcripts of the same are also uploaded on the Banks' website.

(II) AUDIT QUALIFICATIONS

The Banks' financial statements are unqualified.

(III) SEPARATE POSTS OF CHAIRMAN AND CEO

The Bank has separate positions of the part-time Chairman and the Managing Director & Chief Executive Officer of the Bank.

(IV) REPORTING OF INTERNAL AUDITORS

The Internal Auditors of the Bank reports directly to the Audit Committee.

(V) COMPLIANCE WITH THE ICSI SECRETARIAL STANDARDS

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) has been complied with by the Bank.

L) 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**

  Your 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. 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.

  Your 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**

  Your Bank has not undertaken any commodity price risk during the period. Bank has undertaken all commodity transactions on back to back basis.

VI SHAREHOLDERS' INFORMATION

A) EQUITY SHARE CAPITAL HISTORY OF OUR BANK:

The history of the equity share capital of our Bank is provided in the following table.

Date of Allotment	No. of Equity Shares Allotted	Face Value (In ₹)	Issue price per Equity Share (In ₹)	Type of Issue
November 21, 2003	50,000	10.00	10.00	Incorporation
March 10, 2004	143,950,000	10.00	10.00	Further Issue
March 10, 2004	20,000,000	10.00	12.50	Further Issue
March 10, 2004	30,000,000	10.00	14.00	Further Issue
March 31, 2004	6,000,000	10.00	10.00	Further Issue
July 5, 2005	70,000,000	10.00	45.00	IPO
December 22, 2006	10,000,000	10.00	120.00	Preferential Issue
December 7, 2007	14,700,000	10.00	225.00	Preferential Issue
January 25, 2008	974,400	10.00	10.00	ESOPs
February 29, 2008	115,350	10.00	10.00	ESOPs
April 29, 2008	302,500	10.00	10.00	ESOPs
June 24, 2008	639,200	10.00	10.00	ESOPs
September 8, 2008	197,230	10.00	10.00	ESOPs
September 8, 2008	50,250	10.00	62.45	ESOPs
June 20, 2009	102,000	10.00	67.17	ESOPs
September 29, 2009	1,089,420	10.00	69.65	ESOPs
October 9, 2009	1,186,200	10.00	39.83	ESOPs
November 6, 2009	285,610	10.00	75.99	ESOPs
December 22, 2009	623,956	10.00	67.57	ESOPs
January 27, 2010	38,362,709	10.00	269.50	QIP
February 9, 2010	751,345	10.00	89.18	ESOPs
March 9, 2010	287,099	10.00	64.49	ESOPs
April 9, 2010	527,596	10.00	59.58	ESOPs
May 7, 2010	292,800	10.00	89.16	ESOPs
June 21, 2010	532,540	10.00	107.78	ESOPs
July 9, 2010	1,346,560	10.00	131.02	ESOPs
August 9, 2010	1,406,205	10.00	99.40	ESOPs
September 9, 2010	1,472,980	10.00	126.09	ESOPs
October 8, 2010	638,670	10.00	129.55	ESOPs
November 11, 2010	738,535	10.00	132.49	ESOPs
December 16, 2010	161,475	10.00	127.36	ESOPs
January 14, 2011	222,825	10.00	91.79	ESOPs
February 11, 2011	103,054	10.00	99.28	ESOPs
March 11, 2011	36,615	10.00	144.65	ESOPs
April 6, 2011	744,975	10.00	104.03	ESOPs
May 6, 2011	86,625	10.00	161.54	ESOPs
June 9, 2011	163,670	10.00	151.27	ESOPs

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Date of Allotment	No. of Equity Shares Allotted	Face Value (In ₹)	Issue price per Equity Share (In ₹)	Type of Issue
July 8, 2011	921,495	10.00	127.11	ESOPs
August 9, 2011	1,256,900	10.00	107.19	ESOPs
September 9, 2011	725,100	10.00	120.04	ESOPs
October 5, 2011	456,710	10.00	124.24	ESOPs
November 4, 2011	259,720	10.00	141.31	ESOPs
December 9, 2011	167,650	10.00	123.31	ESOPs
January 6, 2012	343,275	10.00	97.97	ESOPs
February 9, 2012	386,580	10.00	131.46	ESOPs
March 16, 2012	327,600	10.00	129.66	ESOPs
April 10, 2012	694,150	10.00	121.67	ESOPs
May 8, 2012	177,600	10.00	109.08	ESOPs
June 13, 2012	96,790	10.00	143.96	ESOPs
July 6, 2012	921,300	10.00	143.96	ESOPs
August 9, 2012	485,435	10.00	143.73	ESOPs
September 7, 2012	748,175	10.00	128.85	ESOPs
October 12, 2012	536,825	10.00	165.28	ESOPs
November 9, 2012	507,850	10.00	156.30	ESOPs
December 7, 2012	404,140	10.00	149.83	ESOPs
January 4, 2013	513,050	10.00	174.80	ESOPs
February 8, 2013	394,150	10.00	142.74	ESOPs
March 8, 2013	155,400	10.00	150.16	ESOPs
April 5, 2013	311,200	10.00	195.75	ESOPs
May 10, 2013	359,850	10.00	160.53	ESOPs
June 11, 2013	427,596	10.00	141.00	ESOPs
July 5, 2013	462,295	10.00	226.73	ESOPs
August 8, 2013	210,890	10.00	182.33	ESOPs
September 6, 2013	37,750	10.00	187.96	ESOPs
October 11, 2013	64,889	10.00	147.26	ESOPs
November 6, 2013	34,257	10.00	165.70	ESOPs
December 4, 2013	24,125	10.00	139.52	ESOPs
January 10, 2014	49,735	10.00	144.09	ESOPs
February 6, 2014	22,100	10.00	169.98	ESOPs
March 7, 2014	6,650	10.00	114.88	ESOPs
April 4, 2014	110,325	10.00	205.45	ESOPs
May 7, 2014	171,250	10.00	279.95	ESOPs
June 5, 2014	53,492,272	10.00	550.00	QIP
June 9, 2014	302,900	10.00	258.21	ESOPs
July 11, 2014	488,825	10.00	252.02	ESOPs
August 8, 2014	459,325	10.00	91.19	ESOPs
September 10, 2014	443,000	10.00	203.14	ESOPs

Date of Allotment	No. of Equity Shares Allotted	Face Value (In ₹)	Issue price per Equity Share (In ₹)	Type of Issue
October 10, 2014	520,065	10.00	247.39	ESOPs
November 14, 2014	457,842	10.00	252.81	ESOPs
December 8, 2014	176,220	10.00	240.36	ESOPs
January 12, 2015	289,944	10.00	248.14	ESOPs
February 9, 2015	132,615	10.00	239.14	ESOPs
March 9, 2015	57,889	10.00	240.48	ESOPs
April 20, 2015	260,294	10.00	228.96	ESOPs
May 12, 2015	44,197	10.00	271.71	ESOPs
June 23, 2015	67,115	10.00	254.60	ESOPs
August 10, 2015	234,531	10.00	266.67	ESOPs
August 22, 2015	102,500	10.00	273.75	ESOPs
September 5, 2015	201,704	10.00	248.03	ESOPs
September 21, 2015	123,255	10.00	277.13	ESOPs
October 7, 2015	195,546	10.00	275.98	ESOPs
October 19, 2015	115,125	10.00	289.48	ESOPs
November 9, 2015	81,300	10.00	268.55	ESOPs
November 25, 2015	56,700	10.00	253.51	ESOPs
December 11, 2015	103,080	10.00	260.41	ESOPs
December 23, 2015	177,750	10.00	166.93	ESOPs
January 11, 2016	216,895	10.00	338.69	ESOPs
January 22, 2016	226,746	10.00	170.08	ESOPs
February 11, 2016	293,775	10.00	319.25	ESOPs
February 24, 2016	105,050	10.00	327.74	ESOPs
March 9, 2016	98,880	10.00	397.55	ESOPs
March 23, 2016	91,100	10.00	185.55	ESOPs
April 8, 2016	223,150	10.00	335.50	ESOPs
May 2, 2016	68,200	10.00	299.88	ESOPs
May 12, 2016	101,300	10.00	322.93	ESOPs
May 25, 2016	73,800	10.00	307.49	ESOPs
June 14, 2016	43,350	10.00	322.75	ESOPs
June 24, 2016	52,300	10.00	293.47	ESOPs
July 9, 2016	69,646	10.00	340.26	ESOPs
July 20, 2016	53,160	10.00	364.53	ESOPs
August 10, 2016	56,300	10.00	379.09	ESOPs
August 24, 2016	72,428	10.00	346.15	ESOPs
September 26, 2016	313,938	10.00	274.56	ESOPs
October 7, 2016	622,705	10.00	287.82	ESOPs
October 22, 2016	285,725	10.00	233.00	ESOPs
November 12, 2016	81,400	10.00	313.05	ESOPs
November 24, 2016	96,375	10.00	310.94	ESOPs

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Date of Allotment	No. of Equity Shares Allotted	Face Value (In ₹)	Issue price per Equity Share (In ₹)	Type of Issue
December 9, 2016	187,120	10.00	280.67	ESOPs
December 23, 2016	45,550	10.00	328.02	ESOPs
January 10, 2017	186,015	10.00	421.91	ESOPs
January 24, 2017	74,750	10.00	415.70	ESOPs
February 8, 2017	118,190	10.00	356.23	ESOPs
February 24, 2017	286,470	10.00	319.88	ESOPs
March 10, 2017	131,300	10.00	322.69	ESOPs
March 31, 2017	32,711,000	10.00	1,500	QIP

B) SHARE SUSPENSE ACCOUNT

5,400 Equity shares of the Bank is lying in the "YES Bank Limited Unclaimed Suspense Account" in the name of 36 shareholders at the beginning of the FY 2016-17. The Bank has been transferring the shares lying unclaimed under the IPO to the eligible shareholders as and when the request for the same has been received after proper verification. However, during the year ended March 31, 2017, the Bank has not received any request for the claiming these shares. As on March 31, 2017, there were 5,400 shares remaining unclaimed in the Unclaimed Suspense Account in the name of 36 shareholders.

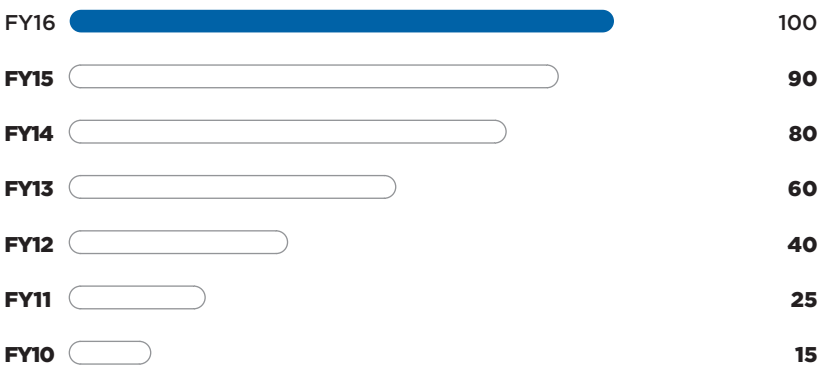
The voting rights on the shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

Details of shares lying in the 'Unclaimed Suspense Account' as on March 31, 2017 are as under:

Particulars	Number of shareholders	Shares
Opening Balance as on April 1, 2016	36	5,400
Additions, if any, during the FY 2016-17	0	0
Less: Claims received and shares transferred	0	0
Closing Balance as on March 31, 2017	36	5,400

C) DIVIDEND

DIVIDEND HISTORY OF THE BANK



UNCLAIMED DIVIDEND

In terms of the provisions of Section 124(5) of the Companies Act, the Bank is statutorily required to transfer to the Investor Education & Protection Fund (IEPF) all dividends remaining unclaimed for a period of 7 (Seven) years alongwith interest accrued, if any, 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. The dividend for the financial year ended March 31, 2010 shall be transferred to IEPF after the due date i.e. July 31, 2017. The details of unclaimed dividends for the financial year 2009-10 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, 2010	July 02, 2010	July 31, 2017
March 31, 2011	June 28, 2011	July 27, 2018
March 31, 2012	July 14, 2012	August 12, 2019
March 31, 2013	June 08, 2013	July 09, 2020
March 31, 2014	June 14, 2014	July 17, 2021
March 31, 2015	June 06, 2015	July 05, 2022
March 31, 2016	June 07, 2016	July 06, 2023

REMINDER TO INVESTORS

Reminders to encash the unclaimed dividend on shares are sent to the relevant shareholders at regular intervals.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

D) 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
2016	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018	Tuesday, June 07, 2016, 11.00 A.M.	- 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 crores to eligible investors on private placement basis
2015	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018	Saturday, June 06, 2015, 11.00 A.M.	- 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 increase in the borrowing limits from ₹ 30,000 crores to ₹ 50,000 crores; - Approval for borrowing/raising funds in Indian/foreign currency by issue of debt securities upto ₹ 10,000 crores to eligible investors on private placement basis; - Approval for increasing the FII/FPI holding limit to 74% of the paid-up equity share capital of the Bank or such other limit as may be permissible under applicable laws.
2014	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018	Saturday, June 14, 2014, 11.00 A.M.	- Approval for authorizing the Board or any committee authorized by the Board for raising of additional capital aggregating upto USD 500 millions or its Indian Rupee equivalent by way of placement of shares to Qualified Institutional Buyers through Qualified Institutions Placement (QIP) and/or private placement in international markets through ADRs/GDRs or a Public Issue or any other methods.

POSTAL BALLOT

During the year, the following Resolutions were passed through Postal Ballot on June 4, 2016.

Mr. B. Narasimhan of M/s. B. N. & Associates, Practicing Company Secretaries, Mumbai was appointed as the Scrutinizer for overseeing the postal ballot voting process. The details of voting pattern and resolutions passed are as follows:

1. INCREASE IN AUTHORIZED SHARE CAPITAL AND CONSEQUENT AMENDMENTS TO MEMORANDUM OF ASSOCIATION OF THE BANK – ORDINARY RESOLUTION:

Total No. of shareholders		193,188
Total No. of equity Shares		420,754,791
Particulars	**Number of Votes**	**% of votes**
Total No. of equity Shares	420,754,791	100.00%
No. of votes polled	296,315,252	70.42%
◌ No. of Votes - in favor	296,184,242	99.96%
◌ No. of Votes - against	131,010	0.04%

2. AMENDMENTS TO THE MAIN OBJECTS AND OTHER CLAUSES OF THE MEMORANDUM OF ASSOCIATION OF THE BANK – SPECIAL RESOLUTION:

Total No. of shareholders		193,188
Total No. of equity Shares		420,754,791
Particulars	**Number of Votes**	**% of votes**
Total No. of equity Shares	420,754,791	100.00%
No. of votes polled	296,290,438	70.42%
◌ No. of Votes - in favor	296,103,208	99.94%
◌ No. of Votes - against	187,230	0.06%

3. AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE BANK - SPECIAL RESOLUTION:

Total No. of shareholders		193,188
Total No. of equity Shares		420,754,791
Particulars	**Number of Votes**	**% of votes**
Total No. of equity Shares	420,754,791	100.00%
No. of votes polled:	296,390,677	70.44%
◌ No. of Votes - in favor	253,237,366	85.44%
◌ No. of Votes - against	43,153,311	14.56%

REPORT ON CORPORATE GOVERNANCE (CONTD.)

The Bank has complied with the procedures for the postal ballot as prescribed under Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations.

No special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.

E) INVESTOR GRIEVANCE REDRESSAL

SHAREHOLDERS' COMPLAINTS RECEIVED AND RESOLVED DURING FY 2016-17:

Particulars	No. of Complaints
Investor complaints pending as at April 01, 2016	0
Investor complaints received during the year ended on March 31, 2017	302
Investor complaints resolved during the year ended March 31, 2017	300
Investor complaints pending as on March 31, 2017	2

SHAREHOLDERS' REQUESTS RECEIVED AND RESOLVED DURING FY 2016-17

Particulars	No. of Requests
Investor requests pending as at April 01, 2016	0
Investor requests received during the year ended March 31, 2017	306
Investor requests resolved during the year ended March 31, 2017	151
Investor requests pending as on March 31, 2017	155*

** The Bank had received various requests for Unclaimed Dividend in the month of March 2017 pursuant to the reminder letters sent to the shareholders by the Bank and majority of the same were resolved in April 2017.*

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 a designated email ID namely shareholders@yesbank.in for Equity investors and bondholders@yesbank.in for bond holders for reporting complaints/grievances. The said email Id's are also displayed on the official website of the Bank.

F) QUERIES AT ANNUAL GENERAL MEETING

Shareholders desiring any information with regard to the accounts are requested to write to the Company 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 Annual General Meeting.

The Company provides the facility of Investor-Helpdesk at the Annual General Meeting. Shareholders may post their queries relating to shares, dividends etc., at this Investor-Helpdesk.

G) MEANS OF COMMUNICATION

Your 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, Business Standard, Mint, Free Press Journal, Navshakti, Financial Express, DNA Money and 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 Bank's financial results are displayed on the website of the Bank (www.yesbank.in). The Bank also informs the Schedule of meetings 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) and the National Stock Exchange of India Limited (NSE). NSE and BSE have introduced 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.

- 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.

- The Bank also publishes its Balance Sheet and Profit and Loss Account together with the Auditors' Report 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.

H) GENERAL SHAREHOLDERS' INFORMATION

Day, Date, Time and Venue of the Annual General Meeting	Tuesday, June 06, 2017 at 4:00 P.M. Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018
Financial Year	April 01, 2016 to March 31, 2017
Date of Book Closure	Wednesday, May 31, 2017 to Tuesday, June 06, 2017 (both days inclusive)
Dividend Payment Date	Will be paid on or after Wednesday, June 07, 2017

REPORT ON CORPORATE GOVERNANCE (CONTD.)

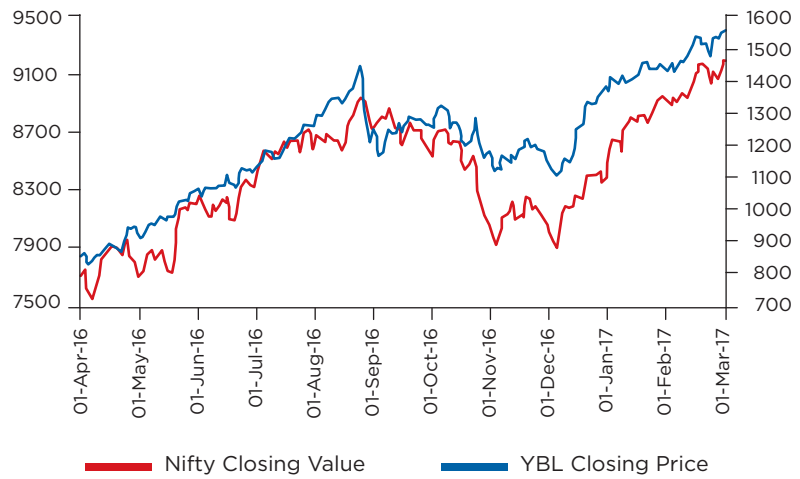
Listing on Stock Exchanges	1. BSE Limited *(Equity & Debt Securities)* Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001 Tel No.: (022) 22721233/4, (022) 66545695 Fax : (022) 22721919 2. National Stock Exchange of India Limited *(Equity Shares)* Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Tel No.: (022) 26598100 - 8114 Fax No.: (022) 26598120 The Listing Fees for the financial year 2016-17 is being paid to the aforesaid Stock Exchanges.
Stock Code	BSE : 532648 NSE : YESBANK
ISIN	INE528G01019

MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

	NSE			BSE		
Month	**High (₹)**	**Low (₹)**	**Volume**	**High (₹)**	**Low (₹)**	**Volume**
Apr-16	952.45	826.50	67,973,555	952.20	826.65	7,166,040
May-16	1,046.00	905.65	87,747,769	1,045.00	906.40	6,173,962
Jun-16	1,115.00	1,005.55	62,951,629	1,115.00	1,005.70	5,374,624
Jul-16	1,236.00	1,106.55	43,988,955	1,235.90	1,106.75	3,182,401
Aug-16	1,382.30	1,203.55	72,407,372	1,375.00	1,203.40	3,107,125
Sep-16	1,449.00	1,155.80	109,337,189	1,450.00	1,156.00	9,578,908
Oct-16	1,327.95	1,231.50	45,789,845	1,327.50	1,229.00	4,336,149
Nov-16	1,313.00	1,095.15	63,348,814	1,313.60	1,095.50	5,824,570
Dec-16	1,225.00	1,090.55	46,664,565	1,225.00	1,091.25	4,138,403
Jan-17	1,421.50	1,131.30	60,046,205	1,421.55	1,131.50	4,528,614
Feb-17	1,471.80	1,377.55	35,417,853	1,470.95	1,378.05	2,285,991
Mar-17	1,557.50	1,419.15	44,217,990	1,557.85	1,418.00	4,657,657

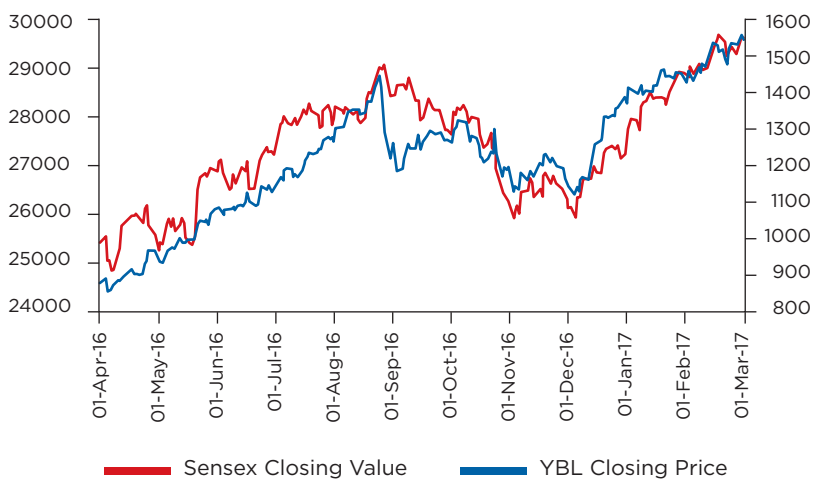
Performance of the YES BANK Equity Shares relative to NSE Nifty Indices during the FY 2016-17

NSE



Performance of the YES BANK Equity Shares relative to S&P BSE SENSEX during the FY 2016-17

BSE



REPORT ON CORPORATE GOVERNANCE (CONTD.)

Registrar and Transfer Agents	**EQUITY** Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel No.: +91 40 67161559 Fax No. +91 40 23001153 Contact Persons: Ms. Shobha Anand / Mr. Sridhar Balamurli Email: einward.ris@karvy.com **DEBT** Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No.: +91 22 49186000 Fax No.: +91 22 49186060 Contact Person: Mr. Ganesh Jadhav/Mr. Vinayak Bendal Email: mumbai@linkintime.co.in
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.
Reconciliation of Share Capital Audit	M/s. Savita Jyoti & Associates, Practising Company Secretary, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, 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 said report is submitted to stock exchanges on quarterly basis and being placed before the Board of Directors of the Bank for its review.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

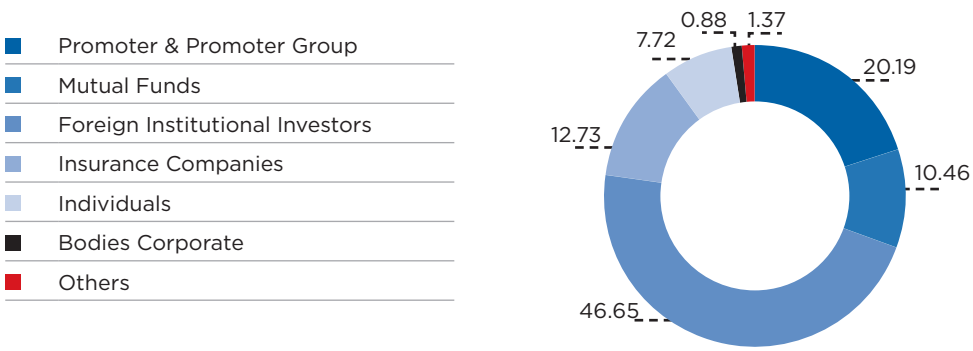
Category (No. of Shares)	No. of shareholders	%	Total Shares	Amount	% of Amount
Up to 5,000	185,609	99.09	23,053,595	230,535,950	5.05
5,001 – 10,000	476	0.25	3,496,304	34,963,040	0.77
10,001 – 20,000	302	0.16	4,380,352	43,803,520	0.96
20,001 – 30,000	137	0.07	3,428,797	34,287,970	0.75
30,001 – 40,000	82	0.04	2,848,462	28,484,620	0.62
40,001 – 50,000	80	0.04	3,628,051	36,280,510	0.79
50,001 – 1,00,000	178	0.10	12,694,804	126,948,040	2.78
1,00,001 & Above	449	0.24	402,955,448	4,029,554,480	88.27
TOTAL	**187,313**	**100.00**	**456,485,813**	**4,564,858,130**	**100.00**

SHAREHOLDING PATTERN AS ON MARCH 31, 2017

	Category of Shareholders	No. of Shares	%
I	**Promoter & Promoter Group**		
1(a)	Rana Kapoor	20,000,000	4.38
1(b)	YES Capital (India) Private Limited	15,125,000	3.31
1(c)	Morgan Credits Private Limited	14,050,000	3.08
2(a)	Madhu Kapur	35,125,000	7.69
2(b)	Mags Finvest Private Ltd	7,842,450	1.72
II	**Other Institutions**		
	Mutual Funds/UTI	47,763,989	10.46
	Financial Institutions/Banks	334,969	0.07
	Insurance Companies	58,094,774	12.73
	Foreign Institutional Investors	212,958,407	46.65
III	**Other Non-Institutions**		
	Bodies Corporate	4,005,013	0.88
IV	**Individuals**		
	(i) Individuals holding nominal share capital upto ₹ 2 lakh	24,529,983	5.38
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	10,713,543	2.35
V	**Trusts**	826,265	0.18
VI	**Non Resident Indians**	1,977,518	0.43
VII	**H U F**	1,000,748	0.22
VIII	**Clearing Members**	1,710,142	0.37
IX	**Foreign Nationals**	681	0.00
X	**NBFCs registered with RBI**	215,746	0.05
XI	**Alternative Investment Fund**	211,585	0.05
	TOTAL	**456,485,813**	**100**

SHAREHOLDING PATTERN

(%)



REPORT ON CORPORATE GOVERNANCE (CONTD.)

LIST OF SHAREHOLDERS HOLDING MORE THAN 1% SHARES IN THE BANK AS ON MARCH 31, 2017

Sr. No.	Name	No. of shares	%
	Promoter & Promoter Group		
1(a)	Rana Kapoor	20,000,000	4.38
1(b)	Yes Capital (India) Private Limited	15,125,000	3.31
1(c)	Morgan Credits Private Limited	14,050,000	3.08
2(a)	Madhu Kapur	35,125,000	7.69
2(b)	Mags Finvest Private Ltd.	7,842,450	1.72
	Others		
3	LIC of India along with its various schemes	38,042,946	8.33
4	Birla Sun Life Trustee Company Private Limited along with its various schemes	9,232,860	2.02
5	Franklin Templeton Investment Funds	9,026,930	1.98
6	Franklin India Monthly Income Plan along with its various schemes	8,940,795	1.96
7	New World Fund INC	7,480,000	1.64
8	Nomura India Investment Fund Mother Fund	6,095,512	1.34
9	Reliance Capital Trustee Company Limited A/C along with its various schemes	5,993,922	1.31
10	Abu Dhabi Investment authority under its various accounts	5,747,808	1.26
11	Merrill Lynch Markets Singapore PTE. Ltd.	5,376,370	1.18
12	Bajaj Allianz Life Insurance Company Ltd.	4,705,761	1.03

Dematerialization of shares and liquidity	As on March 31, 2017, the Share Capital of the Bank was held in the dematerialized form with NSDL (98.15%) and CDSL (1.84%) except 23,271 shares were being held in physical form (0.01%).
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:	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 Contact Person: Mr. Ajit Guruji, Vice President Tel No.: 022 - 40807001 Fax No.: 022 – 66311776 **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) Tel No.: 022 - 62260084 Fax No.: 022 - 24254200
Address of the Compliance Officer	Mr. Shivanand R. Shettigar, Company Secretary YES Bank Tower, IFC 2, 17th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013 Tel No.: 022 - 3366 9000 / 33479260 Fax No.: 022 - 24214518 Email : shareholders@yesbank.in

For and on behalf of the Board of Directors

Rana Kapoor
Managing Director & CEO
(DIN No.: 00320702)

Ashok Chawla
Non-Executive (Independent) Part-Time Chairman
(DIN No.: 00056133)

Place: Mumbai
Date: April 19, 2017

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**

Rana Kapoor
Managing Director & CEO
(DIN No.: 00320702)

Place: Mumbai
Date: April 19, 2017

CEO / CFO CERTIFICATION

We, Rana Kapoor, Managing Director & CEO and Rajat Monga, Chief Financial Officer, of YES Bank Limited hereby certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 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

Rana Kapoor
Managing Director & CEO
(DIN No.: 00320702)

Rajat Monga
Chief Financial Officer

Place: Mumbai
Date: April 19, 2017

Annexure to the Report on Corporate Governance for the year ended March 31, 2017

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
YES BANK LIMITED

We have examined the compliance of conditions of corporate governance by YES BANK Limited (the '**Bank**') for the year ended March 31, 2017, as prescribed in 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 Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('LODR')**.

We state that the 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 Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR *except clause (a) of sub- regulation (1) read with Regulation 17 of LODR with respect to appointment of a woman director on the Board of the Bank since 30th October, 2016.*

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **BNP & Associates**
Company Secretaries

Prakash K Pandya
Partner
FCS 3901/ CP no. 2311

Place: Mumbai
Date: April 19, 2017

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To,
The Members of Yes Bank Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of YES BANK LIMITED ('the Bank'), which comprise the Balance Sheet as at March 31, 2017, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Bank's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the 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 the design, implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, and the Rules, made thereunder.

We conducted our audit in accordance with the Standards on Auditing ('the Standards') specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

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 relevant requirements of the Companies Act, 2013, 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 2017, its profit and its cash flows for the year then ended on that date.

OTHER MATTERS

The standalone financial statements of the Bank for the year ended March 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 27 April 2016.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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. During the course of our audit we have visited 22 branches.

The disclosure required on holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 as envisaged in notification GSR 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs, is not applicable to the Bank. Refer note 18.7.17 to the financial statements.

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

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

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

(c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

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

(e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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”;

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

(i) The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 18.7.15 to the 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 18.7.16 to the financial statements; and

(iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
April 19, 2017

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF YES BANK LIMITED

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

We have audited the internal financial controls over financial reporting of YES Bank Limited ('the Bank') as at March 31, 2017 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF YES BANK LIMITED

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
April 19, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

(₹ in thousands)

	Schedule	As at March 31, 2017	As at March 31, 2016
CAPITAL AND LIABILITIES			
Capital	1	4,564,858	4,205,316
Reserves and surplus	2	215,975,735	133,660,671
Deposits	3	1,428,738,567	1,117,195,331
Borrowings	4	386,066,730	316,589,769
Other liabilities and provisions	5	115,253,287	80,983,031
TOTAL		**2,150,599,177**	**1,652,634,118**
ASSETS			
Cash and balances with Reserve Bank of India	6	69,520,697	57,761,643
Balances with banks and money at call and short notice	7	125,973,744	24,422,604
Investments	8	500,317,983	488,384,656
Advances	9	1,322,626,769	982,099,270
Fixed assets	10	6,835,385	4,707,177
Other assets	11	125,324,599	95,258,768
TOTAL		**2,150,599,177**	**1,652,634,118**
Contingent liabilities	12	3,795,641,601	3,312,391,973
Bills for collection		13,900,033	15,588,740
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
ICAI Firm Registration No: 101248W/W-10022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner

Membership No. 046882

Rana Kapoor
Managing Director & CEO
(DIN: 00320702)

Ashok Chawla
Non-Executive Independent Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN: 02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2017

(₹ in thousands)

		Schedule	For the year ended March 31, 2017	For the year ended March 31, 2016
I.	**INCOME**			
	Interest earned	13	164,246,437	135,334,419
	Other income	14	41,567,569	27,121,472
	TOTAL		**205,814,006**	**162,455,891**
II.	**EXPENDITURE**			
	Interest expended	15	106,273,367	89,667,193
	Operating expenses	16	41,165,410	29,763,714
	Provisions and contingencies	17	25,074,265	17,630,518
	TOTAL		**172,513,042**	**137,061,425**
III.	**PROFIT**			
	Net profit for the year		33,300,964	25,394,466
	Profit brought forward		55,446,801	42,200,505
	TOTAL		**88,747,765**	**67,594,971**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		8,325,241	6,348,617
	Transfer to Capital Reserve		1,082,995	734,827
	Transfer to Investment Reserve		-	-
	Dividend paid for previous year		4,665	2,740
	Tax on Dividend paid for previous year		950	468
	Proposed Dividend (refer note 18.4.1)		-	4,205,316
	Tax (including surcharge and education cess) on Dividend (refer note 18.4.1)		-	856,202
	Balance carried over to balance sheet		79,333,915	55,446,801
	TOTAL		**88,747,765**	**67,594,971**
	Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
	Earning per share (Refer Sch. 18.6.15)			
	Basic (₹)		78.89	60.62
	Diluted (₹)		76.77	59.31
	(Face Value of Equity Share is ₹ 10/-)			

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-10022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Rana Kapoor
Managing Director & CEO
(DIN: 00320702)

Ashok Chawla
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Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017

(₹ in thousands)

	Year ended March 31,2017	Year ended March 31,2016
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAXES	50,441,173	37,661,977
ADJUSTMENT FOR		
Depreciation for the year	1,712,519	1,105,553
Amortization of premium on investments	789,586	521,580
Provision for investments	522,117	25,337
Provision for standard advances	831,396	381,558
Provision/write off of non performing advances	6,634,414	4,979,020
Other provisions	(176,774)	(19,826)
(Profit) / Loss from sale of fixed assets	(182)	(944)
	60,754,249	**44,654,255**
ADJUSTMENTS FOR :		
Increase / (Decrease) in Deposits	311,543,236	205,436,849
Increase/(Decrease) in Other Liabilities	39,828,371	11,185,814
(Increase)/Decrease in Investments	27,645,612	(18,915,997)
(Increase)/Decrease in Advances	(347,161,913)	(231,580,128)
(Increase)/Decrease in Other assets	(30,073,864)	(114,305)
	1,781,442	**(33,987,767)**
Payment of direct taxes	(18,749,191)	(13,585,376)
Net cash generated from / used in operating activities (A)	**43,786,500**	**(2,918,888)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,876,000)	(2,644,183)
Proceeds from sale of fixed assets	35,459	22,075
(Increase) / Decrease in Held To Maturity (HTM) securities	(40,890,641)	(37,730,647)
Net cash generated / used in from investing activities (B)	**(44,731,182)**	**(40,352,755)**

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017

(₹ in thousands)

	Year ended March 31,2017	Year ended March 31,2016
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	43,568,618	14,684,240
Tier II Debt raised	-	38,992,000
Innovative Perpetual Debt raised	30,000,000	-
Tier II Debt repaid during the year	(3,786,000)	-
Proceeds from issuance of Equity Shares (net of share issue expense)	49,576,625	739,511
Dividend paid during the year	(4,209,981)	(3,762,365)
Tax on dividend	(857,152)	(765,928)
Net cash generated from / used in financing activities (C)	**114,292,110**	**49,887,457**
Effect of exchange fluctuation on translation reserve (D)	**(37,234)**	**(3,083)**
Net increase in cash and cash equivalents (A+B+C+D)	**113,310,194**	**6,612,731**
Cash and cash equivalents as at April 1	**82,184,247**	**75,571,516**
Cash and cash equivalents as at Mar 31	**195,494,441**	**82,184,247**
NOTES TO THE CASH FLOW STATEMENT:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	69,520,697	57,761,643
Balances with Banks and Money at Call and Short Notice	125,973,744	24,422,604
Cash and cash equivalents as at March 31	**195,494,441**	**82,184,247**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-10022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Rana Kapoor
Managing Director & CEO
(DIN: 00320702)

Ashok Chawla
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(DIN: 06863505)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 1 - CAPITAL		
AUTHORIZED CAPITAL		
600,000,000 equity shares of ₹ 10/- each	6,000,000	6,000,000
20,000,000 preference shares of ₹ 100/- each	2,000,000	-
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
456,485,813 equity shares of ₹ 10/- each	4,564,858	4,205,316
(March 31, 2016 : 420,531,641 equity shares of ₹ 10/- each) [Refer Sch 18.5.1.1]		
TOTAL	**4,564,858**	**4,205,316**

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
Opening balance	25,746,753	19,398,136
Additions during the year	8,325,241	6,348,617
Deductions during the year	-	-
Closing balance	**34,071,994**	**25,746,753**
II. SHARE PREMIUM		
Opening balance	49,462,165	48,750,609
Additions during the year [Refer Sch 18.5.1.1]	49,717,083	711,556
Deductions during the year [Refer Sch 18.5.1.1]	500,000	-
Closing balance	**98,679,248**	**49,462,165**
III. CAPITAL RESERVE		
Opening balance	2,781,838	2,047,011
Additions during the year [Refer Sch 18.5.1.2]	1,082,995	734,827
Deductions during the year	-	-
Closing balance	**3,864,833**	**2,781,838**
IV. INVESTMENT RESERVE		
Opening balance	226,197	226,197
Additions during the year	-	-
Deductions during the year	-	-
Closing balance	**226,197**	**226,197**
V. FOREIGN CURRENCY TRANSLATION RESERVE		
Opening balance	(3,083)	-
Additions during the year	(37,234)	(3,083)
Deductions during the year	-	-
Closing balance	**(40,317)**	**(3,083)**

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
VI. CASH FLOW HEDGE RESERVE		
Opening balance	-	-
Additions during the year [Refer Sch 18.5.1.4]	(160,135)	-
Deductions during the year	-	-
Closing balance	**(160,135)**	**-**
VII. BALANCE IN PROFIT AND LOSS ACCOUNT	**79,333,915**	**55,446,801**
TOTAL	**215,975,735**	**133,660,671**

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 3 - DEPOSITS		
A. I. DEMAND DEPOSITS		
i) From Banks	10,543,996	8,430,375
ii) From Others	180,334,205	100,820,390
II. SAVINGS BANK DEPOSIT	327,818,301	204,176,990
III. TERM DEPOSITS		
i) From banks	78,421,060	65,233,073
ii) From others	831,621,005	738,534,503
TOTAL	**1,428,738,567**	**1,117,195,331**
B. I. DEPOSITS OF BRANCHES IN INDIA	1,428,635,283	1,117,195,331
II. DEPOSITS OF BRANCHES OUTSIDE INDIA	103,284	-
TOTAL	**1,428,738,567**	**1,117,195,331**

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

			As at March 31, 2017	As at March 31, 2016
SCHEDULE 4 - BORROWINGS				
I.	**INNOVATIVE PERPETUAL DEBT INSTRUMENTS (IPDI) AND TIER II DEBT**			
A.	**BORROWING IN INDIA**			
	i)	IPDI	37,410,000	7,410,000
	ii)	Tier II Borrowings	84,828,000	88,614,000
		TOTAL (A)	**122,238,000**	**96,024,000**
B.	**BORROWINGS OUTSIDE INDIA**			
	i)	IPDI	324,250	331,275
	ii)	Tier II Borrowings	10,969,876	11,268,509
		TOTAL (B)	**11,294,126**	**11,599,784**
		TOTAL (A+B)	**133,532,126**	**107,623,784**
II.	**OTHER BORROWINGS***			
A.	**BORROWINGS IN INDIA**			
	i)	Reserve Bank of India	-	10,000,000
	ii)	Other banks	21,818,909	19,520,000
	iii)	Other institutions and agencies **	81,117,555	84,915,827
		TOTAL (A)	**102,936,464**	**114,435,827**
B.	**BORROWINGS OUTSIDE INDIA**		149,598,140	94,530,158
		TOTAL (A+B)	**252,534,604**	**208,965,985**
		TOTAL (I+II)	**386,066,730**	**316,589,769**

*Secured borrowings are ₹ 14,198,629 (March 31, 2016 : ₹ 17,994,327 thousands).
**Including refinance borrowing.

(₹ in thousands)

			As at March 31, 2017	As at March 31, 2016
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS				
I.	**BILLS PAYABLE**		5,925,696	3,169,468
II.	**INTER-OFFICE ADJUSTMENTS (NET)**		-	-
III.	**INTEREST ACCRUED**		14,787,213	13,064,990
IV.	**OTHERS (INCLUDING PROVISIONS)**			
	-	Provision for standard advances	7,806,482	6,975,086
	-	Country risk provision	-	-
	-	Others	86,733,896	57,773,487
		TOTAL	**115,253,287**	**80,983,031**

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in hand	5,705,440	4,124,093
II.	Balances with Reserve Bank of India		
	- In current account	63,815,257	53,637,550
	- In other account	-	-
	TOTAL	**69,520,697**	**57,761,643**

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	**IN INDIA**		
	BALANCES WITH BANKS-		
i)	In current accounts	615,101	555,996
ii)	In other deposit accounts	77	71
	MONEY AT CALL AND SHORT NOTICE		
i)	With Banks	6,400,000	-
ii)	With other institutions	-	-
iii)	Lending under reverse repo (RBI & Banks)	77,533,403	4,253,505
	TOTAL (I)	**84,548,581**	**4,809,572**
II.	**OUTSIDE INDIA**		
i)	In current account	22,618,582	17,294,107
ii)	In other deposit account	-	-
iii)	Money at call and short notice	18,806,581	2,318,925
	TOTAL (II)	**41,425,163**	**19,613,032**
	TOTAL (I+II)	**125,973,744**	**24,422,604**

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

			As at March 31, 2017	As at March 31, 2016
SCHEDULE 8 - INVESTMENTS (NET OF PROVISIONS)				
A.	**INVESTMENTS IN INDIA**			
	i)	Government Securities	354,804,669	351,862,551
	ii)	Other approved securities	-	-
	iii)	Shares	2,369,461	628,162
	iv)	Debentures and bonds	110,453,002	95,154,141
	v)	Subsidiaries and/or joint ventures	500,000	500,000
	vi)	Others (CPs, CDs, Pass through certificates etc)	30,438,101	40,239,802
		TOTAL (I)	**498,565,233**	**488,384,656**
B. INVESTMENTS OUTSIDE INDIA				
	i)	Government Securities	322,750	-
	ii)	Debentures and bonds	1,430,000	-
		TOTAL (II)	**1,752,750**	**-**
		TOTAL (I+II)	**500,317,983**	**488,384,656**

(₹ in thousands)

				As at March 31, 2017	As at March 31, 2016
SCHEDULE 9 - ADVANCES					
A.	i)	Bills purchased and discounted		15,592,229	13,618,402
	ii)	Cash credit, overdrafts and loans payable on demand		285,619,143	233,961,280
	iii)	Term loans		1,021,415,397	734,519,588
			TOTAL	**1,322,626,769**	**982,099,270**
B.	i)	Secured by tangible assets (includes advances secured by fixed deposits and book debt)		971,727,832	729,383,226
	ii)	Covered by Bank/Government guarantees		9,982,743	3,162,345
	iii)	Unsecured (Note 1 and 2)		340,916,194	249,553,699
			TOTAL	**1,322,626,769**	**982,099,270**
		1	Includes advances of ₹ 194,674,665 thousands (March 31, 2016 ₹ 131,205,302 thousands) for which security documentation is either being obtained or being registered.		
		2	There are no outstanding advances as at March 31, 2017 and March 31, 2016 for which only intangible securities such as charge over the rights, licenses, authority, etc has been taken.		
C.	**I.**	**ADVANCES IN INDIA**			
		i)	Priority sectors	291,727,756	265,143,459
		ii)	Public sector	611,812	47,396
		iii)	Banks	1,336,192	879,657
		iv)	Others	968,611,004	701,038,944
			TOTAL (I)	**1,262,286,764**	**967,109,456**

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

			As at March 31, 2017	As at March 31, 2016
II.	ADVANCES OUTSIDE INDIA			
	i)	Due from Banks	803,409	1,977,769
	ii)	Due from Others		
		(a) Bills purchased and discounted	-	-
		(b) Syndicated loans	59,536,596	13,012,045
		(c) others	-	-
		TOTAL (II)	**60,340,005**	**14,989,814**
		TOTAL (I+II)	**1,322,626,769**	**982,099,270**

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	At cost as on March 31st of preceding year	-	-
	Additions during the year	378,031	-
	Deductions during the year	-	-
	Accumulated depreciation to date	(2,101)	-
	TOTAL (I)	**375,930**	**-**
II.	Other Fixed Assets (including furniture and fixtures and software)		
	At cost as on March 31st of preceding year	8,509,222	6,279,886
	Additions during the year	3,338,916	2,312,161
	Deductions during the year	(102,425)	(82,825)
	Accumulated depreciation to date	(6,033,004)	(4,389,738)
	TOTAL (II)	**5,712,709**	**4,119,484**
	TOTAL (I+II)	**6,088,639**	**4,119,484**
	Capital work-in-progress	746,746	587,693
	TOTAL	**6,835,385**	**4,707,177**

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	20,753,822	18,767,567
II.	Advance tax and tax deducted at source (net of provision)	1,170,481	816,824
III.	Deferred tax asset [Refer Sch 18.6.17]	6,029,821	4,774,497
IV.	Non-Banking assets aquired in satisfaction of claims	427,230	452,030
V.	Others	96,943,245	70,447,850
	Total	**125,324,599**	**95,258,768**

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the bank not acknowledged as debts	59,375	9,867
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	1,633,440,599	1,765,909,841
IV.	Liability on account of outstanding derivative contracts		
	- Single currency Interest Rate Swap	900,717,664	622,202,393
	- Others	557,600,726	369,521,505
V.	Guarantees given on behalf on constituents		
	- In India	238,664,671	178,664,535
	- Outside India	-	-
VI.	Acceptances, endorsement and other obligations	319,204,078	257,500,743
VII.	Other items for which the bank is contingently liable		
	- Value dated purchase of securities	2,375,682	203,714
	- Capital commitment	1,664,143	989,221
	-Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	4,702	359
	- Foreign exchange contracts (Tom & Spot)	141,909,961	117,389,795
	TOTAL	**3,795,641,601**	**3,312,391,973**

Liability on account of outstanding forward exchange contracts as on March 31, 2017 includes notional amount of ₹ 1,168,538,967.46 thousands (Previous year: ₹ 1,352,010,775.59 thousands) guarnteed by CCIL representing 71.54% (Previous year: 76.56%) of total outstanding forward exchange contracts.

SCHEDULES
FORMING PART OF FINANCIAL STATEMENTS

(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/discount on advances/bills	122,097,659	97,114,786
II.	Income on investments	37,968,422	35,082,091
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	2,578,210	1,125,449
IV.	Others	1,602,146	2,012,093
	TOTAL	**164,246,437**	**135,334,419**

(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	31,399,553	24,591,689
II.	Profit on the sale of investments (net)	7,112,679	2,606,392
III.	Profit/(Loss) on the revaluation of investments (net)	-	-
IV.	Profit/(Loss) on sale of land, building and other assets	182	944
V.	Profit on exchange transactions (net)	1,018,902	(175,559)
VI.	Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous income	2,036,253	98,006
	TOTAL	**41,567,569**	**27,121,472**

(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	82,040,497	71,784,174
II.	Interest on Reserve Bank of India / inter-bank borrowings / Tier I and Tier II debt instruments	22,242,771	16,456,711
III.	Others	1,990,099	1,426,308
	TOTAL	**106,273,367**	**89,667,193**

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(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	18,050,433	12,968,018
II.	Rent, taxes and lighting	3,791,818	3,047,480
III.	Printing and stationery	271,801	183,157
IV.	Advertisement and publicity	1,004,685	835,453
V.	Depreciation on Bank's property	1,712,519	1,105,553
VI.	Directors' fees, allowances and expenses	29,152	12,373
VII.	Auditors' fees and expenses	13,000	9,292
VIII.	Law charges	36,745	21,958
IX.	Postage, telegrams, telephones, etc.	485,551	360,093
X.	Repairs and maintenance	202,262	159,767
XI.	Insurance	1,196,321	935,260
XII.	Other expenditure	14,371,123	10,125,310
	TOTAL	**41,165,410**	**29,763,714**

(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 17 - PROVISIONS & CONTINGENCIES			
I.	Provision for taxation [Refer Sch 18.6.1]	17,140,211	12,267,511
II.	Provision for investments	522,117	25,337
III.	Provision for standard advances	831,396	381,558
IV.	Provision/write off for non performing advances	6,634,414	4,979,020
V.	Other Provisions	(53,873)	(22,908)
	TOTAL	**25,074,265**	**17,630,518**

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18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

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.

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, except in the case of interest income on non-performing assets (NPAs), loans under strategic debt restructuring (SDR) and Sustainable Structuring of Stressed Assets (S4A) scheme of RBI where it is recognized upon realization.

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 SIGNIFICANT CHANGES IN ACCOUNTING POLICY

PROPOSED DIVIDEND:

In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, Bank has not accounted for proposed dividend as a liability as at March 31, 2017. Proposed Dividend was however accounted for as a liability as at March 31, 2016 in line with the existing accounting standard applicable at that time.

The Board of Directors of the Bank has recommended a dividend of ₹ 12 per equity share for approval by shareholders at the 13th Annual General Meeting. If approved the total liability arising to the Bank would be ₹ 6,593.11 millions, including dividend tax (previous year ₹ 5,061.52 millions). The actual dividend payout may however change due to equity shares exercised by employees between the end of the financial year and the dividend declaration date.

ACCOUNTING FOR CASH FLOW HEDGE RESERVE:

The Bank has applied the Guidance Note on Accounting for Derivative Contracts ('Guidance Note') issued by the Institute of Chartered Accountants of India effective from April 01, 2016 in respect of derivative contracts which are not covered by existing accounting standards or RBI guidelines. For the Bank, this impacts the accounting for 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 under the Guidance

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Note. The adoption of the Guidance Note resulted in the recognition of derivative assets of ₹ 52.83 millions , derivative liabilities of ₹ 212.96 millions and a cash flow hedge reserve of (₹ 160.14) millions as at March 31, 2017. The application of the Guidance Note has no impact on the net profit for the year ended March 31, 2017 as compared to the previous accounting policy followed by the Bank.

18.4.2 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 upon realization as per the prudential norms of the RBI.
- Loan processing fee is recognized when it becomes due and realizable.
- 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.
- Other fees and commission income are recognized on accrual basis.

18.4.3 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 01, 2015 and Fixed Income Money Market and Derivative Association (FIMMDA) guidelines FIMCIR/2017-18/001/April 03, 2017.

ACCOUNTING AND CLASSIFICATION

Investments are recognized using the value date basis of accounting. 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 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

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guidelines. Transfer of scripts 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/under Strategic Debt Restructuring (SDR) 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 SDR 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 01, 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 purchase for priority sector lending requirements are valued at Book Value in accordance with FIMMDA guidelines FIMCIR/2017-18/001/April 03, 2017.

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 Primary Dealers Association of India jointly with FIMMDA.

The market/fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FIMMDA. 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.

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,

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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.

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.

Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or on Treasury curve 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 FIMMDA 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 may additionally create 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 1 July 2015. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and

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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.

18.4.4 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. The Bank also maintains additional general provisions on standard exposure based on the internal credit rating matrix as approved by the Board of the Bank. These provisions are included in Schedule 5 - 'Other liabilities & provisions - Others'.

Further to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures (other than for home country exposure). Countries are categorized into risk categories as per Export Credit Guarantee Corporation of India Ltd. ('ECGC') guidelines and provisioning is done in respect of that country where the net funded exposure is one percent or more of the Bank's total assets.

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 and consideration is more than net book value, the Bank records the security receipts at Net Book Value as per RBI guidelines.

18.4.5 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. The resulting profits or losses are recognized in the profit and loss account.

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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 remittance or the disposal of the net investment in the non-integral foreign operations in accordance with AS - 11.

18.4.6 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, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. 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 outstanding during the period except where the results are anti dilutive.

18.4.7 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 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.

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'.

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'.

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.

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.

18.4.8 FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price

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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.

Fixed 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 fair value of the assets.

18.4.9 DEPRECIATION

Depreciation on fixed assets is provided on straight-line method, overestimated 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 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.

18.4.10 IMPAIRMENT OF ASSETS

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

18.4.11 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 a specified period.

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

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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.

LEAVE SALARY

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 utilization.

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 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.

NEW PENSION SCHEME

The National Pension System (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 its annual contribution for the employees who agree to contribute to the scheme.

18.4.12 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.

18.4.13 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.

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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.

18.4.14 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 beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. 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.

18.4.15 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.

18.4.16 CORPORATE SOCIAL RESPONSIBILITY

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognized in the Profit and Loss account.

18.4.17 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.

18.4.18 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.

18.4.19 SHARE ISSUE EXPENSES

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

18.4.20 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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18.4.21 PRIORITY SECTOR LENDING CERTIFICATES (PSLC)

The Bank vide 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'.

18.5.1 CAPITAL

18.5.1.1 EQUITY ISSUE

During the financial year ended March 31, 2017, the Bank has issued 32,711,000 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 1,500 per share aggregating to ₹ 49,066.50 millions. The Bank accreted ₹ 48,239.39 millions (net of share issue expenses of ₹ 500 millions) as premium, on account of QIP. Provision on share issue expenses created by debiting to share premium account is on estimated basis. Adjustments, if any required, to share premium shall be made upon final settlement of these expenses. The Bank also issued 32,43,172 shares pursuant to the exercise of stock option aggregating to ₹ 1,010.12 millions.

During the financial year ended March 31, 2016, the Bank has issued 2,795,543 shares pursuant to the exercise of stock option aggregating to ₹ 739.51 millions.

Movement in Share Capital

₹ in millions

Share Capital	As at March 31, 2017	As at March 31, 2016
Opening Share Capital	4,205.32	4,177.36
Addition due to exercise of Stock Option	32.43	27.96
Addition due to shares issued to QIP	327.11	-
Closing Share Capital	4,564.86	4,205.32

18.5.1.2 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 applicable taxes and transfer to statutory reserve requirements). During the year ₹ 1,083.00 millions (previous year: ₹ 734.83 millions) was transferred to Capital Reserve.

18.5.1.3 INVESTMENT RESERVE

The Bank has transferred ₹ Nil to Investment Reserve (Previous year: ₹ Nil transferred to Investment Reserve) (net of applicable taxes and transfer to statutory reserve requirements) on provisions for depreciation on investments credited to Profit and Loss Account.

18.5.1.4 CASH FLOW HEDGE RESERVE

The Bank has debited ₹ 160.14 millions to Cash Flow Hedge Reserve (Previous year: ₹ Nil) 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.

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18.5.1.5 CAPITAL ADEQUACY RATIO

Capital Adequacy Ratio as per RBI guidelines (Basel III Capital Regulations dated July 01, 2015) as at March 31, 2017 is given below:

₹ in millions

	As at March 31, 2017	As at March 31, 2016
Common Equity Tier I	212,980.36	137,064.01
Additional Tier I Capital	35,162.20	5,629.29
Tier-1 capital	**248,142.56**	**142,693.30**
Tier-2 capital	69,169.19	76,051.10
Total capital	**317,311.75**	**218,744.40**
Credit Risk – Risk Weighted Assets (RWA)	1,624,519.20	1,151,018.80
Market Risk – RWA	132,321.87	95,241.38
Operational Risk – RWA	106,498.75	83,238.59
Total risk weighted assets	**1,863,339.82**	**1,329,498.77**
Common Equity capital adequacy ratio (%)	**11.4%**	**10.3%**
Tier-1 capital adequacy ratio (%)	**13.3%**	**10.7%**
Tier-2 capital adequacy ratio (%)	**3.7%**	**5.8%**
Total capital adequacy ratio (%)	**17.0%**	**16.5%**
Amount raised during the year by issue of IPDI	30,000.00	-
Amount raised during the year by issue of Tier II Capital	-	38,992.00

18.5.1.6 TIER I AND TIER II CAPITAL

For the financial year ended March 31, 2017, the Bank has raised Tier I Debt instruments amounting to ₹ 30,000.00 millions:

₹ in millions

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Unsecured, Non-convertible, Basel III compliant Tier I Bonds in the nature of debentures	Debentures	December 23, 2016	9.50	Perpetual	30,000.00
TOTAL					**30,000.00**

For the financial year ended March 31, 2016, the Bank has raised Tier II Debt instruments amounting to ₹ 38,992.00 millions, details of which are as follows:

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TIER II DEBT INSTRUMENTS

₹ in millions

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures	Debentures	June 29, 2015	9.15	10 Years	5,542.00
Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures	Debentures	December 31, 2015	8.90	10 Years	15,000.00
Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures	Debentures	January 15, 2016	9.00	10 Years	8,000.00
Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures	Debentures	January 20, 2016	9.05	10 Years	5,000.00
Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures	Debentures	March 31, 2016	9.00	10 Years	5,450.00
				TOTAL	**38,992.00**

18.5.2 INVESTMENTS
I) VALUE OF INVESTMENTS

₹ in millions

Particulars	As at March 31, 2017	As at March 31, 2016
Gross value of Investments	**501,391.82**	488,936.38
- In India	499,639.07	488,936.38
- Outside India	1,752.75	-
Provision for depreciation	**1,073.85**	**551.73**
- In India	1,073.85	551.73
- Outside India	-	-
Net value of Investments	**500,317.98**	**488,384.65**
- In India	498,565.23	488,384.65
- Outside India	1,752.75	-

II) MOVEMENT OF PROVISIONS HELD TOWARDS DEPRECIATION ON INVESTMENTS

₹ in millions

Particulars (In India)	As at March 31, 2017	As at March 31, 2016
Opening Balance	551.73	526.39
Add: Provision made during the year	522.39	90.95
Less: Write off / write back of provision during the year	0.27	65.61
Closing Balance	**1,073.85**	**551.73**

Note: There is no provision made for investment outside India

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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, 2017:

₹ in millions

		Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2017
Securities sold under repos					
i)	Government Securities	-	37,826.57	1,554.05	12,248.91
ii)	Corporate debt securities	-	-	-	-
Security purchased under reverse repo					
i)	Government Securities	-	39,603.90	4,492.37	533.40
ii)	Corporate debt securities	-	-	-	-

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2016:

₹ in millions

		Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2016
Securities sold under repos					
i)	Government Securities	-	202.36	0.69	-
ii)	Corporate debt securities	-	238.42	0.65	-
Security purchased under reverse repo					
i)	Government Securities	-	53,038.86	5,951.35	253.51
ii)	Corporate debt securities	-	-	-	-

The above table represents the book value of securities sold and purchased under repos and reverse repos with interbank. 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

Issuer composition of Non SLR investments as at March 31, 2017 is given below:

₹ in millions

No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities #	Extent of 'unlisted' securities*
i)	PSUs	12,680.99	12,170.49	-	-	3,333.39
ii)	Financial Institutions	35,646.38	7,555.18	-	1,694.19	4,328.28
iii)	Banks	3,461.84	2,250.00	-	-	-
iv)	Private Corporates	69,130.58	67,424.78	650.00	141.61	8,038.85
v)	Subsidiaries/ Joint ventures	500.00	500.00	-	-	500.00
vi)	Others	24,615.19	24,615.19	-	-	24,615.19
vii)	Provision held towards depreciation	(844.42)	-	-	-	-
	TOTAL	**145,190.56**	**114,515.64**	**650.00**	**1,835.80**	**40,815.71**

*Of the investments disclosed ₹ 35,320 millions are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

excludes investment in equity shares and units.

Issuer composition of Non SLR investments as at March 31, 2016 is given below:

₹ in millions

No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities #	Extent of 'unlisted' securities*
i)	PSUs	9,316.36	4,245.17	-	-	-
ii)	Financial Institutions	15,821.87	13,379.95	-	424.96	4,597.11
iii)	Banks	-	-	-	-	-
iv)	Private Corporates	78,226.44	75,333.38	50.00	145.21	9,072.52
v)	Subsidiaries/ Joint ventures	500.00	500.00	-	-	500.00
vi)	Others	33,209.15	33,209.15	-	-	33,209.15
vii)	Provision held towards depreciation	(551.73)	-	-	-	-
	TOTAL	**136,522.10**	**126,667.65**	**50.00**	**570.17**	**47,378.78**

*Of the investments disclosed ₹ 41,798.78 millions are exempted from applicability of RBI prudential limit for unlisted Non-SLR securities.

excludes investment in equity shares and units.

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Non-Performing Investments

₹ in millions

Particulars	March 31, 2017	March 31, 2016
Opening Balance	230.61	165.39
Additions during the year	390.26	495.89
Reductions during the year	160.78	430.67
Closing Balance	460.09	230.61
Total Provision Held	400.16	114.29

The Bank has not sold and 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, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

18.5.5 DERIVATIVES

18.5.5.1 FORWARD RATE AGREEMENT/ INTEREST RATE SWAP

The details of Forward Rate Agreements / Interest Rate Swaps outstanding as at March 31, 2017 is given below:

₹ in millions

Sr. No	Items	As at March 31, 2017	As at March 31, 2016
i)	The notional principal of swap agreements	900,717.66	622,202.39
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements[1]	1,409.73	2,041.62
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps [Percentage Exposure to Banks][1]	12.81%	8.91%
	[Percentage Exposure to PSUs][1]	45.66%	13.39%
v)	The fair value of the swap book[2]	(618.01)	572.45
	INBMK	(344.68)	267.34
	MIBOR	(279.23)	(97.14)
	MIFOR	73.98	157.56
	FCY IRS	(68.08)	244.69

[1]Losses and Credit risk concentration are measured as net receivable under swap contracts

[2]Fair values represent mark-to-market including accrued interest.

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The nature and terms of the Rupee IRS as on March 31, 2017 are set out below:

₹ in millions

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	10	4,500.00	MIFOR	Fixed Payable V/S Floating Receivable
Hedging	6	1,500.00	MIBOR	Fixed Receivable V/S Floating Payable
Trading	25	23,010.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	356	193,456.86	MIBOR	Fixed Payable V/S Floating Receivable
Trading	332	171,039.17	MIBOR	Fixed Receivable V/S Floating Payable
Trading	194	72,387.40	MIFOR	Fixed Payable V/S Floating Receivable
Trading	95	42,291.40	MIFOR	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as on March 31, 2017 are set out below:

₹ in millions

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	348	189,592.35	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	256	167,004.10	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	68	32,348.25	USD LIBOR	Floating Receivable V/S Floating Payable
Trading	10	1,253.50	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	9	1,218.63	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	1	116.01	JPY LIBOR	Fixed Payable V/S Floating Receivable

The nature and terms of the Rupee IRS as on March 31, 2016 are set out below:

₹ in millions

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	25	10,250.00	MIFOR	Fixed Payable V/S Floating Receivable
Hedging	6	1,500.00	MIBOR	Fixed Receivable V/S Floating Payable
Trading	26	23,260.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	282	152,880.13	MIBOR	Fixed Payable V/S Floating Receivable
Trading	268	150,881.38	MIBOR	Fixed Receivable V/S Floating Payable
Trading	85	32,688.50	MIFOR	Fixed Payable V/S Floating Receivable
Trading	90	40,829.40	MIFOR	Fixed Receivable V/S Floating Payable

SCHEDULES
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The nature and terms of the FCY IRS as on March 31, 2016 are set out below:

₹ in millions

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	126	100,444.38	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	154	100,183.66	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	27	7,823.16	USD LIBOR	Floating Receivable V/S Floating Payable
Trading	2	171.91	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	2	171.91	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	1	117.97	JPY LIBOR	Fixed Payable V/S Floating Receivable

18.5.5.2 UN-HEDGED / UNCOVERED FOREIGN CURRENCY EXPOSURE OF THE BANK

The Bank's foreign currency exposures as at March 31, 2017 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 ₹ 2,582.21 millions (March 31, 2016 ₹ 2,142.41 millions).

18.5.5.3 EXCHANGE TRADED INTEREST RATE DERIVATIVES

The following table sets forth, for the period indicated, the details of exchange traded interest rate derivatives:

₹ in millions

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year :		
	-8.40% Government Securities 2024	-	21,738.80
	-7.72% Government Securities 2025	800.00	7,701.20
	-7.59% Government Securities 2026	694.80	150.00
2	Notional Principal amount of exchange traded interest rate derivatives outstanding:		
	- 8.40% Government Securities 2024	-	-
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.

18.5.5.4 CURRENCY FUTURES

The Bank had dealt in exchange traded currency forwards (Futures) during the financial year ended March 31, 2017 and March 31, 2016. As at March 31, 2017 and March 31, 2016 the open contracts on the exchange were ₹ Nil.

18.5.5.5 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:

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a) Purpose: The Bank uses Derivatives including Forwards & swaps for various purposes viz. 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 the Market Risk Policy, Investment Policy, Derivatives Policy, Derivatives Appropriate ness Policy, Hedging Policy and ALM policy.

b) 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.

c) 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 a robust suitability and appropriateness framework. The Bank has an elaborate internal reporting mechanism providing regular reports to the RMC as well as Top management of the Bank. Such a structure helps the Bank to monitor and mitigate market risk across FX, interest rates as well as credit risk, operational risk, reputational risk and legal risk.

d) The Bank has an independent Middle Office and Market Risk, 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 control function and settlement of transactions. The Bank is subject to a concurrent audit for all treasury transactions, including derivatives, 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 a transaction and contain the risk.

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 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.

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h) Refer Note 18.4.7 for accounting policy on derivatives.

The details of derivative transactions as at March 31, 2017 and March 31, 2016 are given below:

₹ in millions

Sr. No	Particular	Currency derivatives [1]		Interest rate derivatives [4]	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
I)	DERIVATIVES (NOTIONAL PRINCIPAL AMOUNT)				
	a) For hedging	30,661.91	35,544.94	6,000.00	11,750.00
	b) For trading	526,938.81	333,976.57	894,717.66	610,452.39
II)	MARKED TO MARKET POSITIONS[2]				
	a) Asset (+)	9,755.07	5,944.73	3,700.51	3,782.90
	b) Liability (-)	8,728.58	6,068.68	4,318.16	3,285.34
III)	CREDIT EXPOSURE[3]	46,832.11	27,211.88	12,732.74	10,442.75
IV)	LIKELY IMPACT OF ONE PERCENTAGE CHANGE IN INTEREST RATE (100*PV01) (REFER NOTE 1&2 BELOW)				
	a) on hedging derivatives	429.68	659.91	33.69	113.91
	b) on trading derivatives	1,015.23	353.86	2,139.12	1,284.25
V)	MAXIMUM AND MINIMUM OF 100*PV01 OBSERVED DURING THE YEAR (REFER NOTE 1&2 BELOW)				
	a) on hedging				
	Maximum	707.40	731.38	114.11	212.47
	Minimum	429.68	395.04	33.68	113.34
	b) on trading				
	Maximum	1,065.87	824.21	2,153.40	1,949.18
	Minimum	299.20	325.76	824.17	1,099.75

[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.

Note:

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, 2017 amounted to ₹ 1,631,110.62 millions (previous year: ₹ 1,752,326.72 millions). For these trading contracts, at March 31, 2017, marked to market position was asset of ₹ 35,428.99 millions (Previous year: ₹ 18,477.52 millions) and liability of ₹ 40,014.63 millions (Previous Year: ₹ 18,406.34 millions).The notional principal amount of foreign

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exchange contracts classified as hedging at March 31, 2017 amounted to ₹ 2,329.98 millions (previous year: ₹ 13,583.12 millions). Credit exposure on forward exchange contracts at March 31, 2017 was ₹ 66,733.58 millions (Previous Year: ₹ 54,081.82 millions) of which exposure on CCIL is ₹ 35,132.52 millions (Previous Year: ₹ 33,307.68 millions).

18.5.6 ASSET QUALITY

18.5.6.1 NON-PERFORMING ADVANCES

The details of movement of gross NPAs, net NPAs and provisions during the year ended March 31, 2017 and the year ended March 31, 2016 are given below :

₹ in millions

Sr. No.	Particulars	March 31, 2017	March 31, 2016
(i)	Net NPA to Net Advances	0.81%	0.29%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	7,489.81	3,134.01
	(b) Additions (Fresh NPAs during the year)	26,323.22	9,111.08
	Subtotal (A)	33,813.03	12,245.09
	Less:		
	(i) Up-gradations	3,707.52	288.95
	(ii) Recoveries	8,499.11	1,883.28
	(iii) Write-offs	1,420.83	2,583.04
	Sub-total (B)	13,627.46	4,755.27
	Gross NPAs (closing balance) (A-B)	20,185.57	7,489.81
(iii)	Movement of Net NPAs		
	(a) Opening Balance	2,844.74	877.25
	(b) Additions during the year	18,812.46	3,452.79
	(c) Reductions during the year	10,934.52	1,485.29
	(d) Closing balance	10,722.68	2,844.74
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
	(a) Opening balance	4,645.07	2,256.76
	(b) Additions during the year	7,510.76	5,658.29
	(c) write off / write back of excess provision	2,692.94	3,269.98
	(d) Closing balance	9,462.89	4,645.07

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.

18.5.6.2 PROVISION COVERAGE RATIO

The provision coverage ratio of the Bank as at March 31, 2017 computed as per the RBI guidelines is 46.88% (previous year 62.02%)

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18.5.6.3 DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAS – (REF DBR. BP.BC.NO. 63/ 21.04.018/2016-17 DATED APRIL 18, 2017)

₹ in millions

Sr. No.	Particulars	
1	Gross NPAs as on March 31, 2016 as reported by the Bank	7,489.81
2	Gross NPAs as on March 31, 2016 as assessed by RBI	49,256.81
3	Divergence in Gross NPAs (2-1)	41,767.00
4	Net NPAs as on March 31, 2016 as reported by the Bank	2,844.74
5	Net NPAs as on March 31, 2016 as assessed by the RBI	36,031.49
6	Divergence in Net NPAs (5-4)	33,186.75
7	Provision for NPAs as on March 31, 2016 as reported by the Bank	4,645.07
8	Provision for NPAs as on March 31, 2016 as assessed by RBI	13,225.32
9	Divergence in provisioning (8-7)	8,580.25
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2016	25,394.47
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2016 after taking into account the divergence in provisioning	19,783.84

The table above is in conformity with RBI circular issued on April 18, 2017 and as per approval from Board of Directors at its Board meeting held on April 19, 2017, the audited financial statements of the Bank for the year ended March 31, 2017, duly incorporates the current impact of divergences observed recently by RBI

a) With ongoing remedial actions undertaken by the Bank during FY 16-17, there have been several reductions / exits / improvement in account conduct which has reduced the overall Gross NPA outstanding to ₹ 10,399.76 million as on March 31, 2017.

b) Of this amount, one single account represents ₹ 9,114 millions (88%). The net impact of divergences observed as per above referred RBI circular is given below

	Reported as on March 31, 2017	Of which impact of single account where management expects near term recovery
Gross NPA	1.52%	0.69%
Net NPA	0.81%	0.52%

After duly factoring the provision impact of divergences, Banks credit cost for FY 17 is at 53 basis points

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18.5.6.4 CONCENTRATION OF NPAS

Exposure (Funded + Non Funded) of the Bank to top four NPA is ₹ 15,553.78 millions as at March 31, 2017 (previous year ₹ 5,682.75 millions).

18.5.6.5 SECTOR-WISE ADVANCES AND NPA

The details of Sector-wise Gross Advances and Gross NPAs as at March 31, 2017 and March 31, 2016 are given below:

₹ in millions

Sector	As at March 31, 2017			As at March 31, 2016		
	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	79,305.47	2,923.35	3.69%	108,187.23	2,115.50	1.96%
Advances to industries sector eligible as priority sector lending	60,135.24	305.81	0.51%	40,749.82	368.74	0.90%
Gems and Jewellery	17,281.13	-	-	11,927.78	-	-
Services	141,046.10	649.46	0.46%	107,868.23	182.60	0.17%
Fertilizers	10,044.59	-	-	13,976.97	-	-
NBFC's	18,832.51	189.50	1.01%	14,057.30	-	-
Personal Loans	-	-	-	-	-	-
Others	12,924.53	3.14	0.02%	9,401.81	13.17	0.14%
Sub-Total (A)	**293,411.34**	**3,881.76**	**1.32%**	**266,207.09**	**2,680.01**	**1.01%**
NON PRIORITY SECTOR						
Agriculture and Allied activities	2,173.21	45.66	2.10%	2,335.69	-	-
Industry	679,595.25	15,518.26	2.28%	456,015.47	3,156.31	0.69%
Construction	81,825.57	1,247.91	1.53%	29,613.30	365.01	1.23%
Electricity (generation-transmission and distribution)	128,295.73	1,747.32	1.36%	79,589.61	-	-
Services	314,300.22	647.79	0.21%	240,600.96	1,553.65	0.65%
Commercial Real Estate	106,007.73	107.49	0.10%	94,431.60	471.70	0.50%
Tourism, Hotel and Restaurants	56,107.01	-	-	35,348.31	-	-
Personal Loans	9,312.94	5.16	0.06%	1,344.04	-	-
Others	33,296.70	86.95	0.26%	20,241.10	99.85	0.49%
Sub-Total (B)	**1,038,678.32**	**16,303.82**	**1.57%**	**720,537.26**	**4,809.81**	**0.67%**
Total (A+B)	**1,332,089.64**	**20,185.57**	**1.52%**	**986,744.34**	**7,489.81**	**0.76%**

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18.5.6.6 RESTRUCTURED ACCOUNTS

The details of accounts Restructured during the year ended March 31, 2017 are given below:

₹ in millions

Sr. 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			Write-offs/Sale/Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
	Asset Classification	No. of borrowers	Amount outstanding as at March 31, 2016	Provision thereon as at March 31, 2016	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding as at March 31, 2017	Provision thereon as at March 31, 2017
1	CDR															
	Standard	4	642.39	186.61	-	-	-	(2)	(425.78)	(113.46)	(1)	(207.09)	(72.68)	1	9.52	0.48
	Substandard	-	-	-	-	-	-	2	425.78	113.46	-	(144.30)	98.83	2	281.48	212.29
	Doubtful	1	8.55	8.55	-	-	-	-	-	-	(1)	(8.55)	(8.55)	-	-	-
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**5**	**650.94**	**195.16**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**291.00**	**212.77**
2	OTHERS															
	Standard	10	5,491.07	496.71	-	432.13	49.51	-	-	-	-	(222.27)	(43.81)	10	5,700.94	502.40
	Substandard	2	102.84	61.96	-	-	-	(2)	(102.84)	(61.96)	-	-	-	-	-	-
	Doubtful	-	-	-	-	-	-	2	102.84	61.96	-	(5.40)	3.29	2	97.44	65.25
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**12**	**5,593.91**	**558.67**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**5,798.38**	**567.65**
3	GRAND TOTAL															
	Standard	14	6,133.46	683.32	-	432.13	49.51	(2)	(425.78)	(113.46)	(1)	(429.36)	(116.50)	11	5,710.46	502.88
	Substandard	2	102.84	61.96	-	-	-	-	322.94	51.50	-	(144.30)	98.83	2	281.48	212.29
	Doubtful	1	8.55	8.55	-	-	-	2	102.84	61.96	(1)	(13.95)	(5.26)	2	97.44	65.25
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**17**	**6,244.86**	**753.83**	**-**	**432.13**	**49.51**	**-**	**-**	**-**	**(2)**	**(587.61)**	**(22.92)**	**15**	**6,089.38**	**780.42**

NOTES:-

1. There are no SME cases which have been restructured during the year ended March 31, 2017.
2. There have been no upgradations of restructured advances during the year ended March 31, 2017.
3. The outstanding amount and number of borrowers as at March 31, 2017 is after considering recoveries and sale of assets during the year.
4. The above table pertains to advances and does not include investment in shares of net book value of ₹ 119.15 millions in the amount outstanding.
5. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
6. 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.
7. For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBR.BP.BC.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, 2016 are given below:

₹ in millions

Sr. 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			Write-offs/Sale/Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
	Asset Classification	No. of borrowers	Amount outstanding as at March 31, 2015	Provision thereon as at March 31, 2015	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding as at March 31,2016	Provision thereon as at March 31,2016
1	CDR															
	Standard	4	742.51	406.31	-	5.92	-	-	-	-	-	(106.04)	(219.70)	4	642.39	186.61
	Substandard	2	252.73	196.96	-	-	-	-	-	-	(2)	(252.73)	(196.96)	-	-	-
	Doubtful	2	58.01	56.87	-	-	-	-	-	-	(1)	(49.46)	(48.32)	1	8.55	8.55
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**8**	**1,053.25**	**660.14**	**-**	**5.92**	**-**	**-**	**-**	**-**	**(3)**	**(408.23)**	**(464.98)**	**5**	**650.94**	**195.16**
2	OTHERS															
	Standard	8	3,306.71	560.19	4	2,987.77	285.13	(1)	(764.63)	(177.29)	(1)	(38.78)	(171.32)	10	5,491.07	496.71
	Substandard	2	261.21	156.56	2	102.84	61.96	1	764.63	177.29	(3)	(1,025.84)	(333.85)	2	102.84	61.96
	Doubtful	1	105.42	105.42	-	-	-	-	-	-	(1)	(105.42)	(105.42)	-	-	-
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**11**	**3,673.34**	**822.17**	**6**	**3,090.61**	**347.09**	**-**	**-**	**-**	**(5)**	**(1,170.04)**	**(610.59)**	**12**	**5,593.91**	**558.67**
3	GRAND TOTAL															
	Standard	12	4,049.22	966.50	4	2,993.69	285.13	(1)	(764.63)	(177.29)	(1)	(144.82)	(391.02)	14	6,133.46	683.32
	Substandard	4	513.94	353.52	2	102.84	61.96	1	764.63	177.29	(5)	(1,278.57)	(530.81)	2	102.84	61.96
	Doubtful	3	163.43	162.30	-	-	-	-	-	-	(2)	(154.88)	(153.74)	1	8.55	8.55
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**19**	**4,726.59**	**1,482.32**	**6**	**3,096.53**	**347.09**	**-**	**-**	**-**	**(8)**	**(1,578.27)**	**(1,075.57)**	**17**	**6,244.86**	**753.83**

NOTES:-

1. There are no SME cases which have been restructured during the year ended March 31, 2016.
2. There have been no upgradations of restructured advances during the year ended March 31, 2016.
3. The outstanding amount and number of borrowers as at March 31, 2016 is after considering recoveries and sale of assets during the year.
4. The above table pertains to advances and does not include investment in shares of net book value of ₹ 386.26 millions in the Amount Outstanding.
5. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
6. 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.
7. For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBR.BP.BC.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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18.5.7 DISCLOSURE OF SCHEMES FOR STRESSED ASSETS - FLEXIBLE STRUCTURING OF EXISTING LOANS

₹ in millions

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, 2016	-	-	-	-	-
For the year ended March 31, 2017	2	1,254.72	-	5.48 years	9.63 years

18.5.8 DISCLOSURES ON STRATEGIC DEBT RESTRUCTURING SCHEME (ACCOUNTS WHICH ARE CURRENTLY UNDER THE STAND-STILL PERIOD)

₹ in millions

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
5	2,995.36	-	-	-	2,995.36	-

The above table includes one account amounting to ₹ 260.78 millions which is a standard restructured account.

18.5.9 DISCLOSURES ON CHANGE IN OWNERSHIP OUTSIDE SDR SCHEME (ACCOUNTS WHICH ARE CURRENTLY UNDER THE STAND-STILL PERIOD)

There are no accounts where the Bank has decided to affect the change of ownership outside SDR scheme and which are currently under the stand-still period

18.5.10 DISCLOSURES ON CHANGE IN OWNERSHIP OF PROJECTS UNDER IMPLEMENTATION

There are no accounts where the Bank has decided to affect the change of ownership of projects under Implementation

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18.5.11 DISCLOSURES ON THE SCHEME FOR SUSTAINABLE STRUCTURING OF STRESSED ASSETS (S4A) AS ON MARCH 31, 2017

₹ in millions

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	1	189.30	104.10	85.20*	37.86
Classified as NPA	-	-	-	-	-

*Securities envisaged in Part B are yet to be issued

18.5.12 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, 2017 are as follows-

₹ in millions

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
(i) No. of accounts	5	1
(ii) Aggregate value (net of specific provisions) of accounts sold to SC / RC	9,568.84	611.75
(iii) Aggregate consideration (includes Net Book Value of Security Receipts of ₹ 7,778.30 millions (previous year ₹ 487.40 millions)	9,362.70	829.00
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / (loss) over net book value*	(206.14)	217.25

*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, 2017 and March 31, 2016 are as follows-

₹ in millions

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, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Net Book value of investments in security receipts	9,771.36	1,994.03	-	-	9,771.36	1,994.03

* 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, 2017 are as follows-

₹ in millions

		SRs issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book Value of SRs backed by NPAs* sold by the Bank as underlying	9,941.36	-	-
Provision held against (i)		170.00	-	-
(ii)	Book value of SRs backed by NPAs* sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	211.03
Provision held against (ii)		-	-	211.03
Total (i) + (ii)		**9,941.36**	**-**	**211.03**

*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.

18.5. 13NON-PERFORMING FINANCIAL ASSETS PURCHASED/ SOLD FROM/ TO OTHER BANK

The Bank has not purchased/sold any non performing financial assets from/to bank during the year ended March 31, 2017 and March 31, 2016.

18.5.14 PROVISIONS FOR STANDARD ASSETS

Provision on standard advances is ₹ 7,806.48 millions and ₹ 6,975.09 millions as at March 31, 2017 and March 31, 2016 respectively.

18.5.15 BUSINESS RATIOS

₹ in millions

Business Ratios		As at March 31, 2017	As at March 31, 2016
i)	Interest income as a percentage to working funds[1]	8.93%	9.47%
ii)	Non interest income as a percentage to working funds[1]	2.26%	1.90%
iii)	Operating profit as a percentage to working funds[1]	3.17%	3.01%
iv)	Return on assets[1]	1.81%	1.78%
v)	Business (deposits + net advances) per employee[2]	159.55	173.29
vi)	Profit per employee[2]	2.00	2.10

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), interbank deposits have been excluded and average employees have been considered.

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18.5.16 ASSET LIABILITY MANAGEMENT

The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2017

₹ in millions

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 day	25,371.95	56,563.85	10,960.90	-	23,165.57	167.36
2 days to 7 days	9,606.86	33,828.82	66,724.67	14,641.34	20,484.61	3,937.22
8 days to 14 days	15,683.99	27,620.67	33,571.39	424.57	2,338.20	2,047.95
15 days to 28 days	36,958.01	52,523.03	50,992.89	13,258.39	7,234.39	2,980.43
29 days to 3 months	114,277.49	40,538.26	180,054.19	26,809.41	19,842.37	24,339.35
Over 3 to 6 months	94,725.31	43,776.81	210,790.81	42,010.05	12,385.62	30,052.75
Over 6 to 12 months	191,443.78	49,855.62	246,530.81	48,896.13	15,154.47	54,515.84
Over 1 year to 3 years	421,372.12	29,801.27	116,422.63	29,419.88	19,649.42	27,304.52
Over 3 years to 5 years	198,757.09	98,707.12	490,442.48	45,425.21	20,411.53	39,115.94
Over 5 years	214,430.17	67,102.53	22,247.80	165,181.75	22,286.03	24,749.51
TOTAL	**1,322,626.77**	**500,317.98**	**1,428,738.57**	**386,066.73**	**162,952.21**	**209,210.87**

The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2016

₹ in millions

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 day	10,536.72	90,091.58	8,648.47	-	17,865.46	1,596.48
2 days to 7 days	8,435.36	44,293.00	64,436.76	18,002.20	3,383.97	399.79
8 days to 14 days	7,786.68	23,395.32	28,201.89	-	1,388.34	362.37
15 days to 28 days	22,989.49	35,108.52	45,594.84	5,097.12	2,066.04	5,701.83
29 days to 3 months	113,971.51	29,364.82	123,752.64	26,173.52	15,476.66	17,368.28
Over 3 to 6 months	78,337.17	40,056.68	168,515.26	20,709.67	7,302.24	5,653.16
Over 6 to 12 months	127,515.35	64,239.67	269,921.28	31,422.66	6,261.88	19,898.80
Over 1 year to 3 years	352,093.49	48,415.99	97,372.32	67,810.30	14,680.89	59,917.22
Over 3 years to 5 years	127,014.43	62,885.31	300,179.58	27,680.43	3,752.99	18,927.14
Over 5 years	133,419.07	50,533.77	10,572.29	119,693.87	11,268.81	23,551.64
TOTAL	**982,099.27**	**488,384.66**	**1,117,195.33**	**316,589.77**	**83,447.28**	**153,376.71**

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.

18.5.17 EXPOSURES

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market and real estate.

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18.5.17.1 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 millions

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
I)	**DIRECT EXPOSURE**		
	Residential Mortgages	17,279.91	10,951.77
	Commercial Real Estate*	166,117.19	132,352.00
	Of total Commercial real estate - exposure to residential real estate projects	125,810.16	112,461.10
	Of total Commercial Real Estate outstanding as advances	109,287.29	100,251.71
	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	- Residential	1,257.16	1,538.02
	- Commercial Real Estate	-	-
II)	**INDIRECT EXPOSURE**		
	Fund based and non-fund based exposures on National Housing Board and Housing Finance Companies	47,235.56	18,703.48
	TOTAL	**231,889.82**	**163,545.27**

*Commercial real estate exposure classification is based on RBI circular DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009.

18.5.17.2 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 millions

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
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;	159.41	134.41
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;	834.85	190.40
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;	-	-

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₹ in millions

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
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;	1,703.10	3,841.53
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;*	7,931.82	7,149.50
vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	9,220.00	2,500.00
vii)	financing for acquisition of equity in overseas companies	2,248.20	2,613.77
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)	182.17	225.90
	Total Exposure to Capital Market	**22,279.55**	**16,655.51**

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 ₹ 2,050.00 millions is exposure to YES Securities (India) Ltd, which is a subsidiary of the Bank.

18.5.17.3 RISK CATEGORY WISE COUNTRY EXPOSURE

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. As at March 31, 2017 and March 31, 2016, the Bank's funded exposure to any individual country did not exceed 1% of the total funded assets of the Bank:

₹ in millions

Risk Category	Exposure (net) as at March 31, 2017	Provision held as at March 31, 2017	Exposure (net) as at March 31, 2016	Provision held as at March 31, 2016
Insignificant	117,252.28	-	76,163.36	-
Low	22,690.02	-	10,586.18	-
Moderately Low	369.64	-	2,548.29	-
Moderate	548.05	-	-	-
Moderate High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
TOTAL	**140,859.99**	**-**	**89,297.83**	**-**

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18.5.17.4 DETAILS OF SINGLE BORROWER LIMIT (SBL) AND GROUP BORROWER LIMIT (GBL)

During the year ended March 31, 2017 and March 31, 2016, 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, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Nirma Limited within the ceiling of 20% of Capital Funds. As on March 31, 2017, the exposure to Nirma Limited as a percentage of capital funds was 0.1%.

During the year ended March 31, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Reliance Ports and Terminals Limited within the ceiling of 25% of Capital Funds. As on March 31, 2017, the exposure to Reliance Ports and Terminals Limited as a percentage of capital funds was 4.6%.

During the year ended March 31, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in group borrower limit for Reliance Group within the ceiling of 55% of Capital Funds. As on March 31, 2017, the exposure to Reliance Group as a percentage of capital funds was 21.0%.

During the year ended March 31, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in group borrower limit for Tata Group within the ceiling of 55% of Capital Funds. As on March 31, 2017, the exposure to Tata Group as a percentage of capital funds was 18.3%.

During the year ended March 31, 2016, the Bank has not exceeded regulatory single borrower or group borrower exposure limit.

18.5.17.5 DETAILS OF FACTORING EXPOSURE

The factoring exposure of the Bank as on March 31, 2017 is ₹ 4,426.83 millions (previous year: ₹ 1,289.26 millions)

18.6 MISCELLANEOUS

18.6.1 INCOME TAXES

Provisions made for Income Tax during the year

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax expense	18,395.53	13,487.58
Deferred income tax credit	(1,255.32)	(1,220.07)
TOTAL	**17,140.21**	**12,267.51**

18.6.2 DISCLOSURE OF PENALTIES IMPOSED BY RBI

During the financial year ended March 31, 2017 and March 31, 2016, there were no penalties imposed on the Bank by RBI.

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18.6.3 FEES/ REMUNERATION RECEIVED FROM BANCASSURANCE
Bank has earned ₹ 1,003.58 millions from bancassurance business during year ended March 31, 2017 (previous year: ₹ 564.96 millions).

18.6.4 CONCENTRATION OF DEPOSITS
As at March 31, 2017, the deposits of top 20 depositors aggregated to ₹ 158,244.68 millions (previous year: ₹ 131,000.94 millions) (excluding certificate of deposits, which are tradable instruments), representing 11.08% (previous year: 11.73%) of the total deposit base.

18.6.5 CONCENTRATION OF ADVANCES
As at March 31, 2017 the top 20 advances aggregated to ₹ 330,579.80 millions (previous year ₹ 276,325.91 millions), representing 12.38% (previous year 13.79%) 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.

18.6.6 CONCENTRATION OF EXPOSURES
As at March 31, 2017 the top 20 exposures aggregated to ₹ 361,516.54 millions (previous year ₹ 287,740.91 millions), representing 12.55% (previous year 13.24%) 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.

18.6.7 OVERSEAS ASSETS, NPAS AND REVENUE
The below table shows total assets, NPAs and revenue for the overseas branches of the Bank

₹ in millions

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total assets	68,375.44	15,847.78
Total NPAs	-	-
Total revenue	1,947.93	960.47

18.6.8 SPONSORED SPVS
The Bank has not sponsored any SPV and hence there is no consolidation due to SPVs in Bank's books.

18.6.9 CREDIT / DEBIT CARD REWARD POINTS
During financial year ending March 31, 2017, the Bank has provided ₹ 34.42 millions for accumulated rewards points on credit and debit card (previous year nil) using an actuarial valuation method by employing an independent actuary.

18.6.10 CORPORATE SOCIAL RESPONSIBILITY (CSR)
a) Amount required to be spent by the Bank on CSR during the year ₹ 600.17 millions (previous year ₹ 477.47 millions)

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b) Amount spent towards CSR during the year and recognized as expense in the Profit and Loss account on CSR related activities is ₹ 416.62 millions (previous year ₹ 295.23 millions), which comprise of following –

₹ in millions

	March 31, 2017			March 31, 2016		
	In cash	Amt unpaid / provision	Total	In cash	Amt unpaid / provision	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (i) above	371.93	44.69	416.62	232.13	63.09	295.23

18.6.11 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, 2017 and March 31, 2016:

a) Changes in present value of Obligations

₹ in millions

	As at March 31, 2017	As at March 31, 2016
Present Value of Obligation at the beginning of the year	606.85	461.67
Interest Cost	44.34	34.80
Current Service Cost	189.14	146.76
Past Service Cost	-	-
Benefits Paid	(43.63)	(41.22)
Actuarial (gain)/loss on Obligation	76.51	4.85
Present Value of Obligation at the end of the year	873.21	606.86

Changes in the fair value of planned assets:

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Fair value of plan assets at the beginning of the year	549.52	353.95
Adjustment to Opening Balance	5.39	-
Expected return on plan assets	54.57	31.03
Contributions	298.08	220.00
Benefits paid	(43.63)	(41.22)
Actuarial gain/(loss) on planned assets	6.95	(14.25)
Fair value of planned assets at the end of the period	870.91	549.51

The Bank has entire contribution of Gratuity Fund as Investments with Insurance Companies.

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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, 2017 and March 31, 2016 comprises the following components:

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Service Cost	189.14	146.76
Interest Cost	44.35	34.80
Expected Return on plan assets	(54.57)	(31.03)
Net Actuarial gain recognized in the year	69.55	19.09
Past Service Cost	-	-
Expenses recognized	248.47	169.62

EXPERIENCE HISTORY:

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
(Gain)/Loss on obligation due to change in assumption	46.39	14.11	33.71	(62.75)	11.81
Experience (Gain)/Loss on obligation	30.12	(9.26)	(51.13)	5.34	(31.41)
Actuarial Gain/(Loss) on planned assets	6.96	(14.25)	(2.49)	(5.70)	(2.40)

The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount Rate	6.88%	7.58%
Expected Return on Plan Assets	8.00%	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

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Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset / liability

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Present Value of Obligation at the end of the year	873.21	606.85
Fair value of planned assets at the end of the period	870.89	549.52
Plan asset / (liability)	(2.32)	(57.34)

The Bank is yet to determine future contribution to Gratuity fund for Financial Year 2017-18

18.6.12 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.

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Segmental results for the year ended March 31, 2017 are set out below:

₹ in millions

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	53,675.73	132,153.77	19,650.80	1,649.77	207,130.06
Less: Inter-segment					(1,316.79)
Revenue net of inter- segment					205,813.27
Result	25,403.84	40,748.28	(6,714.34)	1,114.12	60,551.90
Unallocated Expenses					(10,110.72)
Operating Profit					50,441.18
Income Taxes					17,140.21
Extra-ordinary Profit/(Loss)					-
Net Profit					33,300.96
Other Information:					
Segment assets	781,769.97	1,167,731.80	190,912.42	263.80	2,140,677.99
Unallocated assets					9,921.19
Total assets					**2,150,599.18**
Segment liabilities	437,090.24	873,263.06	577,399.92	1,167.69	1,888,920.91
Unallocated liabilities					261,678.27
Total liabilities					**2,150,599.18**

Segmental results for the year ended March 31, 2016 are set out below:

₹ in millions

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	35,755.78	108,541.41	11,231.71	917.17	156,446.07
Less: Inter-segment					6,008.79
Revenue net of inter- segment					162,454.86
Result	16,799.25	31,251.70	(4,004.87)	495.13	44,541.21
Unallocated Expenses					(6,879.23)
Operating Profit					37,661.98
Income Taxes					12,267.51
Extra-ordinary Profit/(Loss)					-
Net Profit					25,394.47
Other Information:					-
Segment assets	633,739.95	899,772.84	111,050.96	119.96	1,644,683.71
Unallocated assets					7,950.41
Total assets					**1,652,634.12**
Segment liabilities	371,506.77	706,429.11	420,636.07	1,291.17	1,499,863.12
Unallocated liabilities					152,771.00
Total liabilities					**1,652,634.12**

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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 and Reserves and Surplus.

6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

7. The Bank has refined the allocation methodology and has allocated certain items that were previously classified as unallocated, to various segments. The same have been applied to segment information for previous periods also.

18.6.13 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, 2017 are disclosed below:

SUBSIDIARY

- Yes Securities (India) Limited

INDIVIDUALS HAVING SIGNIFICANT INFLUENCE:

- Mr. Rana Kapoor, Managing Director & CEO

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KEY MANAGEMENT PERSONNEL ('KMP') (WHOLE TIME DIRECTOR)

Mr. Rana Kapoor, Managing Director & CEO

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, 2017:

₹ in millions

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
Deposits	164.13*	273.94	#	#	5.77*	25.51
Investment	500.00*	500.00				
Interest	8.09		#		0.97	
Reimbursement of Cost incurred	2.65		#			
Receiving of services	15.83		#			
Dividend paid			#			
Purchase of fixed asset	-					
Sale of fixed asset	6.39					

* Represents outstanding as of March 31, 2017

In Financial Year 2016-17 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".

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, 2016:

₹ in millions

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
Deposits	166.32*	275.72	#	#	5.41*	11.14
Investment	500.00*	500.00				
Interest paid	13.28		#		0.35	

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₹ in millions

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
Reimbursement of Cost incurred	5.31		#			
Receiving of services	58.66		#			
Dividend paid			#			

* Represents outstanding as of March 31, 2016

In Financial Year 2015-16 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".

18.6.14 OPERATING LEASES

Lease payments recognized in the profit and loss account for the year ended March 31, 2017 was ₹ 3,334.71 millions (Previous year: ₹ 2,653.83 millions).

As at March 31, 2017 and March 31, 2016 the Bank had certain non-cancellable outsourcing contracts for information technology assets and branches on rent. The future minimum lease obligations against the same were as follows:

₹ in millions

Lease obligations	As at March 31, 2017	As at March 31, 2016
Not later than one year	2,563.00	3,198.83
Later than one year and not later than five years	9,048.44	14,961.28
Later than five years	11,345.53	4,571.07
TOTAL	**22,956.97**	**22,731.18**

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.

18.6.15 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.

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The computation of earnings per share is given below:

₹ in millions

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Basic (annualised)		
Weighted average no. of equity shares outstanding	422,140,801	418,916,568
Net profit / (loss)	33,300.96	25,394.47
Basic earnings per share (₹)	78.89	60.62
Diluted (annualised)		
Weighted average no. of equity shares outstanding	433,753,206	428,171,182
Net profit / (loss)	33,300.96	25,394.47
Diluted earnings per share (₹)	76.77	59.31
Nominal value per share (₹)	10.00	10.00

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.

18.6.16 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).

The schemes include provisions for grant of options to eligible employees of the Bank and its subsidiaries/ affiliates. All the aforesaid schemes have been approved by the Nomination and Remuneration Committee (N&RC) and the Board of Directors and were also approved by the members of the Bank. All these schemes are administered by the N&RC.

JESOP II and JESOP III were in force for employees joining the Bank up to March 31, 2006 and March 31, 2007 respectively.

YBL JESOP V is in force for employees joining the Bank from time to time. Under JESOP V, 50% options vest takes place at the end of three years and remaining 50% at the end of five years from the date of Grant.

PESOP I, PESOP II and PESOP II - 2010 are Performance Stock Option Plans. Under PESOP I, 25% of the options granted would vest at the end of each year from the date of grant. Under PESOP II, 30% of the granted options vest at the end of first year, 30% vest at the end of second year and balance 40% vest at the end of third year. Under YBL PESOP II – 2010, 30% of the granted options vest at the end of the third year, 30% vest at the end of the fourth year and balance 40% vest at the end of the fifth year.

Further, grants under PESOP II had been discontinued with effect from January 20, 2010.

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, 2017 and March 31, 2016 is set out below:

	As at March 31, 2017		As at March 31, 2016	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	14,737,020	4,589,000	14,449,500	4,530,288
Granted during the year	872,050	821,500	2,378,350	1,427,250
Exercised during the year	2,226,137	1,017,035	1,812,580	982,963
Forfeited / lapsed during the year	422,500	270,475	278,250	385,575
Options outstanding at the end of the year	12,960,433	4,122,990	14,737,020	4,589,000
Options exercisable	4,527,933	824,490	3,990,320	990,825
Weighted average exercise price (₹)	307.68	319.73	276.49	242.49
Weighted average remaining contractual life of outstanding option (yrs)	1.86	2.12	2.10	2.07

The Bank has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2017 and March 31, 2016. 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 ₹ 464.49 millions (Previous year: ₹ 414.23 millions), the basic earnings per share would have been ₹ 77.79 (Previous year: ₹ 59.63) per share instead of ₹ 78.89 (Previous year: ₹ 60.62) per share; and diluted earnings per share would have been ₹ 75.70 (Previous year: ₹ 58.34) per share instead of ₹ 76.77 (Previous year: ₹ 59.31) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2017 and March 31, 2016.

	For the year ended March 31, 2017	For the year ended March 31, 2016
Risk free interest rate	6.29%-9.23%	7.38%-9.23%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	25.01%-50.67%	25.01%-57.52%
Expected dividends	1.50%	1.50%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.6.17 DEFERRED TAXATION

The deferred tax asset of ₹ 6,029.82 millions as at March 31, 2017 and ₹ 4,774.50 millions as at March 31, 2016, is included under other assets and the corresponding credits have been taken to the profit and loss account.

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The components that give rise to the deferred tax asset included in the balance sheet are as follows:

₹ in millions

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax asset		
Depreciation	279.76	222.95
Provision for gratuity and unutilized leave	171.48	128.15
Provision for Non-Performing Assets	1,440.86	640.49
Amortization of premium on HTM securities	678.82	581.36
Provision for standard advances	2,636.61	2,348.88
Other Provisions	822.29	852.67
Deferred tax asset	**6,029.82**	**4,774.50**

18.6.18 PROVISIONS AND CONTINGENCIES

The breakup of provisions of the Bank for the year ended March 31, 2017 and March 31, 2016 are given below:

₹ in millions

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Provision for taxation	17,140.21	12,267.51
Provision for investments	522.12	25.34
Provision for standard advances	831.40	381.56
Provision made/write off for non-performing advances	6,634.41	4,979.02
Others Provisions*	(53.87)	(22.91)
TOTAL	**25,074.27**	**17,630.52**

* Other Provisions includes provision made against other assets and provision for sacrifice of interest on Restructured 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) shall exercise 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, 2017 is as follows:

- Mr. Brahm Dutt, Independent Director (Chairman)
- Mr. Mukesh Sabharwal, Independent Director

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- Mr. Ajai Kumar, Non-Executive Non-Independent Director (appointed w.e.f. October 30, 2016)

The roles and responsibilities of the N & RC are as under-

- Reviewing the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;
- Examining 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;
- To review 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;
- 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;
- 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;
- Formulating the criteria for evaluation of performance of independent directors and the board of directors;
- Carrying out evaluation of every director's performance;
- To evaluate 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;
- 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;
- To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;
- To implement policies and processes relating to Corporate Governance principles;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To devise a Policy on Board diversity;
- To recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees;
- Reviewing the Bank's overall compensation structure and related polices with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Banks and the industry in general;
- Ensuring the following while formulating the policy on the aforesaid matters:
    - 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;

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- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to 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,

- To formulate and determine the Bank's policies on remuneration packages payable to the Directors and key managerial personnel including performance/achievement bonus, perquisites, retrials, sitting fee, etc.;
- To consider grant of Stock Options to employees including employees of subsidiaries and administer and supervise the Employee Stock Option Plans;
- 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;
- Performing 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.

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 is approved by the Nomination and Remuneration Committee on January 7, 2013. The remuneration of MD & CEO/Wholetime Directors will be 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.

c. *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.

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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.

d. *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 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 financial year 2015-16 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 N&RC . 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.

e. *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:

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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 N&RC.

f. *Quantitative Disclosures on Remuneration for MD & CEO and other risk takers*
There were 4 meetings of the N&RC held during the year ended March 31, 2017. The Bank had paid a remuneration of ₹ 0.60 million* to the members of the N&RC for attending the meetings of the N&RC.

₹ in millions

			No. of employee	For the year ended March 31, 2017	No. of employees	For the year ended March 31, 2016
a.	(i)	Number of employees having received a variable remuneration award during the financial year. (refer Note below)	6	101.94	5	105.33
	(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)	5	63.48	4	80.43
c.		Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred				
		Total remuneration award	5	351.52	5	314.44

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₹ in millions

			No. of employee	For the year ended March 31, 2017	No. of employees	For the year ended March 31, 2016
		Of which Fixed Component	5	249.58	5	209.11
		Of which Variable Component	5	101.94	5	105.33
		Deferred	*2*	*30.00*	*2*	*35.00*
		Paid	*5*	*71.94*	*5*	*70.33*
d.	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.(refer Note below)	5	63.48	4	80.43
	(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments. .(refer Note below)	-	-	-	-
	(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)	-	-	-	-

Note:

1. *Amounts disclosed represents variable pay paid during the year ended March 31,2017 and March 31,2016 is for services rendered by the risk takers during the year March 31, 2016 and March 31,2015 respectively, since the bonus pool for the year ended March 31, 2017 has not yet been allocated and accordingly, the deferred component for the risk takers is yet to be determined.*
2. *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.*
3. *For the Financial Year ended March 31, 2017, 15,000 ESOPs were issued to 1 risk takers (previous year 285,000 ESOPs to 4 risktakers)*

18.7.2 MOVEMENT IN FLOATING PROVISIONS

The Bank has not created or utilized any floating provisions during the financial year ended March 31, 2017 and financial year ended March 31, 2016. The floating provision as at March 31, 2017 was ₹ Nil (Previous year: ₹ Nil).

18.7.3 DRAWDOWN ON RESERVES

During the financial year ended March 31, 2017, the Bank has not drawn down any reserve. (Previous year: ₹ Nil).

18.7.4 LIQUIDITY COVERAGE RATIO (LCR)

Below mentioned is a position of Liquidity Coverage Ratio. The Bank has moved from annual disclosures in the previous year to quarterly disclosures in the current financial year in lines with the LCR disclosure standards notified by RBI.

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₹ in millions

	Particulars	Current Year								Previous Year	
		Quarter ended March 31, 2017 *		Quarter ended December 31, 2016 **		Quarter ended September 30, 2016 **		Quarter ended June 30, 2016 **		Year ended March 31, 2016***	
		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
HIGH QUALITY LIQUID ASSETS											
1	Total High Quality Liquid Assets (HQLA)		**327,891.84**		**314,675.27**		**272,087.65**		**254,712.23**		**219,058.79**
CASH OUTFLOWS											
2	Retail deposits and deposits from small business customers, of which:	470,892.25	44,131.16	442,227.21	41,397.89	385,453.50	36,157.30	354,846.40	33,261.83	295,424.34	27,657.07
(i)	Stable deposits	59,161.34	2,958.07	56,496.66	2,824.83	47,760.91	2,388.05	44,456.14	2,222.81	37,707.21	1,885.36
(ii)	Less stable deposits	411,730.91	41,173.09	385,730.55	38,573.05	337,692.59	33,769.26	310,390.26	31,039.03	257,717.13	25,771.71
3	Unsecured wholesale funding, of which:	603,965.68	298,218.25	574,284.36	277,418.52	571,006.96	277,467.19	573,734.00	275,332.12	484,322.58	230,048.01
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	603,965.68	298,218.25	574,284.36	277,418.52	571,006.96	277,467.19	573,734.00	275,332.12	484,322.58	230,048.01
(iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	995.89	0.00	13,154.10	0.00	0.00	0.00	3,666.67	0.00	0.00	0.00
5	Additional requirements, of which	14,841.95	10,519.87	14,198.43	9,995.48	13,589.50	10,348.67	11,209.50	7,707.90	9,491.40	6,007.72
(i)	Outflows related to derivative exposures and other collateral requirements	10,039.64	10,039.64	9,528.49	9,528.49	9,988.58	9,988.58	7,318.83	7,318.83	5,620.65	5,620.65
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	4,802.32	480.23	4,669.94	466.99	3,600.92	360.09	3,890.67	389.07	3,870.75	387.07
6	Other contractual funding obligations	35,341.11	35,341.11	33,437.97	33,437.97	33,468.70	33,468.70	23,510.20	23,510.20	22,709.99	22,709.99
7	Other contingent funding obligations	1,012,163.79	38,129.54	961,781.66	36,363.71	874,501.84	33,232.21	821,540.35	31,058.09	790,622.48	37,850.14
8	**Total Cash Outflows**		**426,339.93**		**398,613.58**		**390,674.07**		**370,870.14**		**324,272.93**
CASH INFLOWS											
9	Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Inflows from fully performing exposures	56,872.61	19,572.26	29,297.04	3,737.57	44,596.20	19,457.24	32,286.73	8,068.38	36,616.85	12,759.96
11	Other cash inflows	34,551.82	34,551.82	37,109.64	37,109.64	46,919.68	46,919.68	56,421.07	56,421.07	32,048.57	31,215.23
12	**Total Cash Inflows**	**91,424.43**	**54,124.08**	**66,406.68**	**40,847.21**	**91,515.89**	**66,376.92**	**88,707.80**	**64,489.45**	**68,665.41**	**43,975.19**
21	**TOTAL HQLA**		**327,891.84**		**314,675.27**		**272,087.65**		**254,712.23**		**219,058.79**
22	**Total Net Cash Outflows**		**372,215.85**		**357,766.37**		**324,297.15**		**306,380.69**		**280,297.74**
23	**Liquidity Coverage Ratio (%)**		**88.1%**		**88.0%**		**83.9%**		**83.1%**		**78.2%**

* For the quarter ended March 31, 2017, the weighted and unweighted amounts are calculated taking simple average of daily positions for 90 days starting 1st Jan'17 to 31st March'17.
**For the quarters April 2016 to December 2016, the weighted and unweighted amounts are calculated taking simple average of month-end positions.
***For the year ended March 31, 2016, the weighted and unweighted amount are calculated taking simple average month-end positions from April 2015 to March 2016.

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LIQUIDITY COVERAGE RATIO (LCR):

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 09, 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 01, 2019. However, with a view to provide transition time, the guidelines mandate a minimum requirement of 60% w.e.f. January 01, 2015 and a step up of 10% every year to reach the minimum requirement of 100% by January 01, 2019. Currently, the LCR applicable is 80%. 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.

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, 2017 is 88.1% which is comfortably above RBI prescribed minimum requirement of 80%.

Further for the financial year ending 2016 and 2017, the Bank has considered nil operational deposit pending approval from RBI.

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18.7.5 INTRA-GROUP EXPOSURES

The Bank has a subsidiary "YES Securities (India) Ltd." and below mentioned are details of Intra-Group Exposure as of March 31, 2017 and March 31, 2016.

₹ in millions

Particulars	As of March 31, 2017	As of March 31, 2016
Total amount of intra-group exposures	2,050.00	2,000.00
Total amount of top-20 intra-group exposures	2,050.00	2,000.00
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers (%)	0.07	0.09

18.7.6 TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

₹ in millions

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance of the amount transferred to DEAF	0.36	-
Add: Amounts transferred to DEAF during the year	4.34	0.36
Less: Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	4.70	0.36

18.7.7 INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank as on March 31, 2017.

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 ₹ 558.08 millions (previous year of ₹ 586.87 millions) and additional capital of ₹ 2,413.54 millions (previous year of ₹ 2,485.69 millions) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2017.

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18.7.9 PROVISIONING PERTAINING TO FRAUD ACCOUNTS

The Bank has reported 61 cases of fraud in the financial year ended March 31, 2017 amounting to ₹ 160.77 millions (Previous Year: 35 cases amounting to ₹ 16.01 millions). 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, 2017	Year ended March 31, 2016
i)	No. of Complaints pending at the beginning of the year	1,258	1,117
ii)	No. of Complaints received during the year	61,998	38,745
iii)	No. of Complaints redressed during the year	60,639	38,604
iv)	No. of Complaints pending at the end of the year	2,617	1,258

Auditors have relied upon the information presented by management as above.

B. AWARDS PASSED BY THE BANKING OMBUDSMAN

		Year ended March 31, 2017	Year ended March 31, 2016
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 no reported cases of interest payments due to delays in such payments to Micro, Small and Medium enterprises. Auditors have relied upon the above management assertion.

18.7.12 SECURITIZATION TRANSACTIONS

The Bank has not done any securitization transactions during the year ended March 31, 2017 and March 31, 2016.

18.7.13 LETTER OF COMFORT

The Bank has not issued any letter of comfort during the year ended March 31, 2017 and March 31, 2016.

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18.7.14 SOFTWARE CAPITALIZED UNDER FIXED ASSETS

The Bank has capitalized software under Fixed Asset amounting to ₹ 821.43 millions and ₹ 484.11 millions during the financial year ended March 31, 2017 and March 31, 2016 respectively.

₹ in millions

Particulars	As at March 31, 2017	As at March 31, 2016
At cost at March 31st of preceding year	1,666.83	1,182.73
Additions during the year	821.43	484.11
Deductions during the year	-	-
Depreciation to date	(1,487.59)	(1,082.60)
Net block	**1,000.67**	**584.24**

18.7.15 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.
4.	Other items for which the Bank is contingently liable	- Value dated purchase of securities - Capital commitments - Amount deposited with RBI under Depositor Education Awareness Fund - Foreign Exchange Contracts (Tom & Spot)
		Refer Schedule 12 for amounts relating to contingent liability

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18.7.16 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.

18.7.17 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

The Bank believes that the MCA notification G.S.R. 308(E) dated March 30, 2017 regarding holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 is not applicable to banking companies. RBI has expressed a similar view in response to the Bank's question. Accordingly, the disclosures prescribed under the said notification are not required to be made by the Bank.

18.7.18 PSLCs SOLD AND PURCHASED DURING THE YEAR ENDED MARCH 31, 2017

₹ in millions

Particulars	Purchased	Sold
PSLC - Agriculture	-	-
PSLC - SF/MF	22,500.00	-
PSLC - Micro Enterprises	-	-
PSLC - General	-	-

18.7.19 AUDIT OF FINANCIAL STATEMENTS-

The figures for the year ended March 31, 2016 were audited by previous statutory auditors.

18.7.20 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
ICAI Firm Registration No: 101248W/W-100022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner
Membership No: 046882

Rana Kapoor
Managing Director & CEO
(DIN:00320702)

Ashok Chawla
Non Executive Independent Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN:02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

INDEPENDENT AUDITORS' REPORT

To,
The Members of YES Bank Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of YES Bank Limited (hereinafter referred to as 'the Holding Company') and its subsidiary (the Holding Company and the subsidiary together referred to as 'the Group'), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance 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, read with Rule 7 of the Companies (Accounts) Rules 2014, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and

the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

The consolidated financial statements of the Group for the year ended March 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on April 27, 2016.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The disclosure required on holdings as well as dealings in Specified Bank Notes (SBNs) during the period from November 08, 2016 to December 30, 2016 as envisaged in notification GSR 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs, is not applicable to the Bank. The subsidiary of the Bank has NIL reporting for this disclosure. Refer Note 18.21 to the financial statements.

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 purposes of our audit of the aforesaid consolidated financial statements;

(b) in our opinion, proper books of account as required by law relating to the presentation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

(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 books of account;

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

(e) on the basis of the written representations received from the directors of the Holding Company and of the Subsidiary as on March 31, 2017 taken on record by the Board of Directors of the respective companies, none of the directors of the Group is disqualified as on March 31, 2017 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 Group 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the

Group – Refer Note 18.18 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 18.20 to the consolidated financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
April 19, 2017

ANNEXURE A

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF YES BANK LIMITED

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

In conjunction with our report of the consolidated financial statements of YES Bank Limited and its subsidiary (collectively referred to as 'the Group') as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of YES Bank Limited (hereinafter referred to as the 'Holding Company') and its subsidiary.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 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 Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

ANNEXURE A

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF YES BANK LIMITED

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
April 19, 2017

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2017

(₹ in thousands)

	Schedule	As at March 31, 2017	As at March 31, 2016
CAPITAL AND LIABILITIES			
Capital	1	4,564,858	4,205,316
Reserves and surplus	2	215,831,445	133,418,492
Deposits	3	1,428,574,438	1,117,041,801
Borrowings	4	386,066,730	316,589,769
Other liabilities and provisions	5	115,559,428	81,170,843
TOTAL		**2,150,596,899**	**1,652,426,221**
ASSETS			
Cash and balances with Reserve Bank of India	6	69,520,697	57,761,643
Balances with banks and money at call and short notice	7	126,025,880	24,427,395
Investments	8	499,817,983	487,884,656
Advances	9	1,322,626,769	982,099,270
Fixed assets	10	6,867,947	4,745,752
Other assets	11	125,737,623	95,507,505
TOTAL		**2,150,596,899**	**1,652,426,221**
Contingent liabilities	12	3,795,645,710	3,312,391,973
Bills for collection		13,900,033	15,588,740
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
ICAI Firm Registration No. 101248W/W-10022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Rana Kapoor
Managing Director & CEO
(DIN: 00320702)

Ashok Chawla
Non-Executive Independent Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN: 02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in thousands)

	Schedule	For the year ended March 31, 2017	For the year ended March 31, 2016
I. INCOME			
Interest earned	13	164,249,985	135,334,419
Other income	14	42,177,999	27,294,218
TOTAL		**206,427,984**	**162,628,637**
II. EXPENDITURE			
Interest expended	15	106,265,280	89,654,092
Operating expenses	16	41,686,077	30,050,340
Provisions and contingencies	17	25,077,771	17,627,318
TOTAL		**173,029,128**	**137,331,750**
III. PROFIT			
Net profit for the year		33,398,856	25,296,887
Profit brought forward		55,204,622	42,055,905
TOTAL		**88,603,478**	**67,352,792**
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		8,325,241	6,348,617
Transfer to Capital Reserve		1,082,995	734,827
Transfer to Investment Reserve		-	-
Dividend paid for previous year		4,665	2,740
Tax on Dividend paid for previous year		950	468
Proposed Dividend		-	4,205,316
Tax (including surcharge and education cess) on Dividend		-	856,202
Balance carried over to balance sheet		79,189,628	55,204,622
TOTAL		**88,603,478**	**67,352,792**
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
Earning per share (Refer Sch.18.12)			
Basic (₹)		79.12	60.39
Diluted (₹)		77.00	59.08
(Face Value of Equity Share is ₹ 10/-)			

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-10022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Rana Kapoor
Managing Director & CEO
(DIN: 00320702)

Ashok Chawla
Non-Executive Independent Chairman
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(DIN: 06863505)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

CONSOLIDATED CASH FLOWSTATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in thousands)

	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAXES	50,534,704	37,561,198
ADJUSTMENT FOR		
Depreciation for the year	1,726,068	1,118,449
Amortization of premium on investments	789,586	521,580
Provision for investments	522,117	25,337
Provision for standard advances	831,396	381,558
Provision/write off of non performing advances	6,642,284	4,979,020
Other provisions	(176,774)	(19,826)
(Profit) / Loss from sale of fixed assets	(184)	(944)
	60,869,197	**44,566,372**
ADJUSTMENTS FOR :		
Increase / (Decrease) in Deposits	311,532,637	205,454,032
Increase/(Decrease) in Other Liabilities	39,972,494	11,347,544
(Increase)/Decrease in Investments	27,645,611	(18,915,997)
(Increase)/Decrease in Advances	(347,169,783)	(231,580,128)
(Increase)/Decrease in Other assets	(30,238,148)	(318,401)
	1,742,811	**(34,012,950)**
Payment of direct taxes	(18,770,623)	(13,597,052)
Net cash generated from/used in operating activities (A)	**43,841,385**	**(3,043,630)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,892,184)	(2,667,114)
Proceeds from sale of fixed assets	44,102	22,075
(Increase) / Decrease in Held To Maturity (HTM) securities	(40,890,641)	(37,580,647)
Net cash generated from/used in investing activities (B)	**(44,738,722)**	**(40,225,686)**

CONSOLIDATED CASH FLOWSTATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ in thousands)

	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	43,568,619	14,684,240
Tier II Debt raised	-	38,992,000
Innovative Perpetual Debt raised	30,000,000	-
Tier II Debt repaid during the year	(3,786,000)	-
Proceeds from issuance of Equity Shares (net of share issue expense)	49,576,625	739,511
Dividend paid during the year	(4,209,981)	(3,762,365)
Tax on dividend	(857,152)	(765,928)
Net cash generated from/used in financing activities (C)	**114,292,111**	**49,881,458**
Effect of exchange fluctuation on translation reserve (D)	**(37,234)**	**(3,083)**
Net increase in cash and cash equivalents (A+B+C+D)	**113,357,539**	**6,615,059**
Cash and cash equivalents as at April 1	**82,189,038**	**75,573,979**
Cash and cash equivalents as at March 31	**195,546,577**	**82,189,038**
NOTES TO THE CASH FLOW STATEMENT:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	69,520,697	57,761,643
Balances with Banks and Money at Call and Short Notice	126,025,880	24,427,395
Cash and cash equivalents as at March 31	**195,546,577**	**82,189,038**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-10022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner

Membership No. 046882

Rana Kapoor
Managing Director & CEO
(DIN: 00320702)

Ashok Chawla
Non-Executive Independent Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN: 02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 1 - CAPITAL		
Authorized Capital		
600,000,000 equity shares of ₹ 10/- each	6,000,000	6,000,000
20,000,000 preference shares of ₹ 100/- each	2,000,000	-
Issued, subscribed and paid-up capital		
456,485,813 equity shares of ₹ 10/- each	4,564,858	4,205,316
(March 31, 2016 : 420,531,641 equity shares of ₹ 10/- each) [Refer Sch 18.6]		
TOTAL	**4,564,858**	**4,205,316**

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
Opening balance	25,746,753	19,398,136
Additions during the year	8,325,241	6,348,617
Deductions during the year	-	-
Closing balance	**34,071,994**	**25,746,753**
II. SHARE PREMIUM		
Opening balance	49,462,165	48,750,609
Additions during the year [Refer Sch 18.6]	49,717,083	711,556
Deductions during the year [Refer Sch 18.6]	500,000	-
Closing balance	**98,679,248**	**49,462,165**
III. CAPITAL RESERVE		
Opening balance	2,781,838	2,047,011
Additions during the year	1,082,995	734,827
Deductions during the year	-	-
Closing balance	**3,864,833**	**2,781,838**
IV. INVESTMENT RESERVE		
Opening balance	226,197	226,197
Additions during the year	-	-
Deductions during the year	-	-
Closing balance	**226,197**	**226,197**

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
V. FOREIGN CURRENCY TRANSLATION RESERVE		
Opening balance	(3,083)	-
Additions during the year	(37,234)	(3,083)
Deductions during the year	-	-
Closing balance	**(40,317)**	**(3,083)**
VI. CASH FLOW HEDGE RESERVE		
Opening balance	-	-
Additions during the year	(160,135)	-
Deductions during the year	-	-
Closing balance	**(160,135)**	**-**
VII. BALANCE IN PROFIT AND LOSS ACCOUNT	**79,189,628**	**55,204,621**
TOTAL	**215,831,445**	**133,418,492**

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 3 - DEPOSITS		
A. I. DEMAND DEPOSITS		
i) From Banks	10,543,996	8,430,375
ii) From Others	180,221,576	100,772,910
II. SAVINGS BANK DEPOSIT	327,818,301	204,176,990
III. TERM DEPOSITS		
i) From banks	78,421,060	65,233,073
ii) From others	831,569,505	738,428,453
TOTAL	**1,428,574,438**	**1,117,041,801**
B. I. DEPOSITS OF BRANCHES IN INDIA	1,428,471,154	1,117,041,801
II. DEPOSITS OF BRANCHES OUTSIDE INDIA	103,284	-
TOTAL	**1,428,574,438**	**1,117,041,801**

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 4 - BORROWINGS		
I. INNOVATIVE PERPETUAL DEBT INSTRUMENTS (IPDI) AND TIER II DEBT		
A. BORROWINGS IN INDIA		
i) IPDI	37,410,000	7,410,000
ii) Tier II Borrowings	84,828,000	88,614,000
TOTAL (A)	**122,238,000**	**96,024,000**
B. BORROWINGS OUTSIDE INDIA		
i) IPDI	324,250	331,275
ii) Tier II Borrowings	10,969,876	11,268,509
TOTAL (B)	**11,294,126**	**11,599,784**
TOTAL (A+B)	**133,532,126**	**107,623,784**
II. OTHER BORROWINGS*		
A. BORROWINGS IN INDIA		
i) Reserve Bank of India	-	10,000,000
ii) Other banks	21,818,909	19,520,000
iii) Other institutions and agencies **	81,117,555	84,915,827
TOTAL (A)	**102,936,464**	**114,435,827**
B. BORROWINGS OUTSIDE INDIA	149,598,140	94,530,158
TOTAL (A+B)	**252,534,604**	**208,965,985**
TOTAL (I+II)	**386,066,730**	**316,589,769**

*Secured borrowings are ₹ 14,198,629 thousands (March 31, 2016: ₹ 17,994,327 thousands).
**Including refinance borrowing.

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. BILLS PAYABLE	5,925,696	3,169,468
II. INTER-OFFICE ADJUSTMENTS (NET)	-	-
III. INTEREST ACCRUED	14,786,010	13,059,484
IV. OTHERS (INCLUDING PROVISIONS)		
- Provision for standard advances	7,806,482	6,975,086
- Country risk exposures	-	-
- Others	87,041,240	57,966,805
TOTAL	**115,559,428**	**81,170,843**

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. CASH IN HAND	5,705,440	4,124,093
II. BALANCES WITH RESERVE BANK OF INDIA		
- In current account	63,815,257	53,637,550
- In other account	-	-
TOTAL	**69,520,697**	**57,761,643**

(₹ in thousands)

	As at March 31, 2017	As at March 31, 2016
SCHEDULE 7 - BALANCES WITH BANKS, MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
Balances with banks		
i) in current accounts	661,632	560,787
ii) in other deposit accounts	5,682	71
Money at call and short notice		
i) with Banks	6,400,000	-
ii) with other institutions	-	-
iii) lending under reverse repo (RBI & Banks)	77,533,403	4,253,505
TOTAL (I)	**84,600,717**	**4,814,363**
II. OUTSIDE INDIA		
i) in current account	22,618,582	17,294,107
ii) in other deposit account	-	-
iii) money at call and short notice	18,806,581	2,318,925
TOTAL (II)	**41,425,163**	**19,613,032**
TOTAL (I+II)	**126,025,880**	**24,427,395**

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in thousands)

			As at March 31, 2017	As at March 31, 2016
SCHEDULE 8 - INVESTMENTS (NET OF PROVISIONS)				
A.	**INVESTMENTS IN INDIA**			
	i)	Government Securities	354,804,669	351,862,551
	ii)	Other approved securities	-	-
	iii)	Shares	2,369,461	628,162
	iv)	Debentures and bonds	110,453,002	95,154,141
	v)	Subsidiaries and/or joint ventures	-	-
	vi)	Others (CPs, CDs, Pass through certificates etc.)	30,438,101	40,239,802
		TOTAL (I)	**498,065,233**	**487,884,656**
B.	**INVESTMENTS OUTSIDE INDIA**			
		Government Securities	322,750	-
		Debentures and bonds	1,430,000	-
		TOTAL (II)	**1,752,750**	**-**
		TOTAL (I+II)	**499,817,983**	**487,884,656**

(₹ in thousands)

			As at March 31, 2017	As at March 31, 2016
SCHEDULE 9 - ADVANCES				
A.	i)	Bills purchased and discounted	15,592,229	13,618,402
	ii)	Cash credit, overdrafts and loans payable on demand	285,619,143	233,961,280
	iii)	Term loans	1,021,415,397	734,519,588
		TOTAL	**1,322,626,769**	**982,099,270**
B.	i)	Secured by tangible assets (includes advances secured by fixed deposits and book debt)	971,727,832	729,383,226
	ii)	Covered by Bank/Government guarantees	9,982,743	3,162,345
	iii)	Unsecured (Note 1 and 2)	340,916,194	249,553,699
		TOTAL	**1,322,626,769**	**982,099,270**

1 Includes advances of ₹ 194,674,665 thousands (March 31, 2016 ₹ 131,205,302 thousands) for which security documentation is either being obtained or being registered.

2 There are no outstanding advances as at March 31, 2017 and March 31, 2016 for which only intangible securities such as charge over the rights, licenses, authority, etc. has been taken.

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in thousands)

				As at March 31, 2017	As at March 31, 2016
C.	I.	ADVANCES IN INDIA			
		i)	Priority sectors	291,727,756	265,143,459
		ii)	Public sector	611,812	47,396
		iii)	Banks	1,336,192	879,657
		iv)	Others	968,611,004	701,038,944
			TOTAL (I)	**1,262,286,764**	**967,109,456**
	II.	ADVANCES OUTSIDE INDIA			
		i)	Due from Banks	803,409	1,977,769
		ii)	(a) Bills purchased and discounted	-	-
			(b) Syndicated loans	59,536,596	13,012,045
			(c) others	-	-
			TOTAL (II)	**60,340,005**	**14,989,814**
			TOTAL (I+II)	**1,322,626,769**	**982,099,270**

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	At cost as on March 31, of preceding year	-	-
	Additions during the year	378,031	-
	Deductions during the year	-	-
	Accumulated depreciation to date	(2,101)	-
	TOTAL (I)	**375,930**	**-**
II.	Other Fixed Assets (including furniture and fixtures and software)		
	At cost as on March 31, of preceding year	8,558,882	6,320,861
	Additions during the year	3,365,324	2,320,845
	Deductions during the year	(121,268)	(82,825)
	Accumulated depreciation to date	(6,063,338)	(4,416,717)
	TOTAL (II)	**5,739,600**	**4,142,164**
	TOTAL (I+II)	**6,115,530**	**4,142,164**
	Capital work-in-progress	752,417	603,589
	TOTAL	**6,867,947**	**4,745,752**

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	20,757,016	18,767,567
II.	Advance tax and tax deducted at source	1,222,362	828,499
III.	Deferred tax asset (Refer Sch 18.14)	6,036,409	4,776,722
IV.	Non-Banking assets aquired in satisfaction of claims	427,230	452,030
V.	Others	97,294,606	70,682,687
	TOTAL	**125,737,623**	**95,507,505**

(₹ in thousands)

		As at March 31, 2017	As at March 31, 2016
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the bank not acknowledged as debts	63,484	9,867
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	1,633,440,599	1,765,909,841
IV.	Liability on account of outstanding derivative contracts		
	- Single currency Interest Rate Swap	900,717,664	622,202,393
	- Others	557,600,726	369,521,505
V.	Guarantees given on behalf on constituents		
	- in India	238,664,671	178,664,535
	- Outside India	-	-
VI.	Acceptances, endorsement and other obligations	319,204,078	257,500,743
VII.	Other items for which the bank is contingently liable		
	- Value dated purchase of securities	2,375,682	203,714
	- Capital commitment	1,664,143	989,221
	- Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	4,702	359
	- Foreign exchange contracts (Tom & Spot)	141,909,961	117,389,795
	TOTAL	**3,795,645,710**	**3,312,391,973**

Note: Liability on account of outstanding forward exchange contracts as on March 31, 2017 includes notional amount of ₹ 1,168,538,967.46 thousands (Previous year: ₹ 1,352,010,775.59 thousands) guaranteed by CCIL representing 71.54% (Previous year: 76.56%) of total outstanding forward exchange contracts.

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(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/ discount on advances/ bills	122,097,659	97,114,786
II.	Income on investments	37,968,422	35,082,091
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	2,578,210	1,125,449
IV.	Others	1,605,694	2,012,093
	TOTAL	**164,249,985**	**135,334,419**

(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	32,009,436	24,764,405
II.	Profit on the sale of investments (net)	7,112,679	2,606,392
III.	Profit/(Loss) on the revaluation of investments (net)	-	-
IV.	Profit/(Loss) on sale of land, building and other assets	182	944
V.	Profit on exchange transactions (net)	1,018,902	(175,559)
VI.	Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous income	2,036,800	98,035
	TOTAL	**42,177,999**	**27,294,218**

(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	82,032,410	71,771,073
II.	Interest on Reserve Bank of India /inter-bank borrowings /Tier I and Tier II debt instruments	22,242,771	16,456,711
III.	Others	1,990,099	1,426,308
	TOTAL	**106,265,280**	**89,654,092**

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(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	18,402,353	13,197,780
II.	Rent, taxes and lighting	3,818,154	3,082,862
III.	Printing and stationery	273,043	184,444
IV.	Advertisement and publicity	1,013,666	851,995
V.	Depreciation	1,726,068	1,118,449
VI.	Directors' fees, allowances and expenses	29,152	13,123
VII.	Auditors' fees and expenses	14,663	10,827
VIII.	Law charges	36,745	21,958
IX.	Postage, telegrams, telephones, etc.	485,994	361,478
X.	Repairs and maintenance	204,853	161,854
XI.	Insurance	1,196,680	935,546
XII.	Other expenditure	14,484,706	10,110,026
	TOTAL	**41,686,077**	**30,050,340**

(₹ in thousands)

		For the year ended March 31, 2017	For the year ended March 31, 2016
SCHEDULE 17 - PROVISIONS & CONTINGENCIES			
I.	Provision for taxation (Refer Sch 18.7)	17,135,848	12,264,311
II.	Provision for investments	522,117	25,337
III.	Provision for standard advances	831,396	381,558
IV.	Provision/write-off for non-performing advances	6,642,284	4,979,020
V.	Other Provisions	(53,874)	(22,908)
	TOTAL	**25,077,771**	**17,627,318**

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18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

18.1 BACKGROUND

YES BANK Limited ('the Bank') is a private sector Bank promoted by the late Mr. Ashok Kapur and Mr. Rana Kapoor. YES BANK Limited together with its subsidiary is a publicly held bank engaged in providing a wide range of banking and financial services. YES BANK Limited 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 license 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.

YES Securities (India) Limited (the Company) 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 08, 2013. The Company also got SEBI registration as Category I Merchant Banker w.e.f. September 03, 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 02, 2013 and the Bombay Stock Exchange (BSE) since June 11, 2013

18.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of YES Bank Limited, and its subsidiary, Yes Securities (India) 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 consolidated 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 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, except in the case of interest income on non-performing assets (NPAs), loans under strategic debt restructuring (SDR) and Sustainable Structuring of Stressed Assets (S4A) scheme of RBI where it is recognized upon realization.

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 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 SIGNIFICANT CHANGES IN ACCOUNTING POLICY

PROPOSED DIVIDEND:

In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of

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Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, Group has not accounted for proposed dividend as a liability as at March 31, 2017. Proposed Dividend was however accounted for as a liability as at March 31, 2016 in line with the existing accounting standard applicable at that time.

The Board of Directors of the Group has recommended a dividend of ₹ 12 per equity share for approval by shareholders at the 13th Annual General Meeting. If approved the total liability arising to the Group would be ₹ 6,593.11 million (including dividend tax) in Fiscal year 2018 (previous year ₹ 5,061.52 million). The actual dividend payout may however change due to equity shares exercised by employees between the end of the financial year and the dividend declaration date.

ACCOUNTING FOR CASH FLOW HEDGE RESERVE: The Group has applied the Guidance Note on Accounting for Derivative Contracts ('Guidance Note') issued by the Institute of Chartered Accountants of India effective from April 01, 2016 in respect of derivative contracts which are not covered by existing accounting standards or RBI guidelines. For the Group, this impacts the accounting for cross currency interest rate swaps which are used by the Group to hedge its foreign currency borrowings and have been designated as cash flow hedges under the Guidance Note. The adoption of the Guidance Note resulted in the recognition of derivative assets of ₹ 52.83 million , derivative liabilities of ₹ 212.96 million and a cash flow hedge reserve of (₹ 160.14) million as at March 31, 2017. The application of the Guidance Note has no impact on the net profit for the year ended March 31, 2017 as compared to the previous accounting policy followed by the Group.

18.5.2 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 upon realization as per the prudential norms of the RBI.
- Loan processing fee is recognized when it becomes due.
- Dividend income is recognized when the right to receive payment is established.
- Commission on guarantees issued by the Group is recognized as income over the period of the guarantee
- Commission on Letters of Credit ('LC') issued by the Group 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 amortised 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.
- Other fees and commission income are recognized on accrual basis.
- Brokerage income is recognized as per contracted rate on execution of transaction on behalf of the customers on the trade date and is net of related sub brokerage expenses, service tax and stock exchange expenses.

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- Fee income from Investment banking / Merchant banking services are recognized based on completion of milestone as per the engagement letter.

- Fee for subscription based services are recognized as earned on a pro-rata basis over the term of the plan.

18.5.3 INVESTMENTS

Classification and valuation of the Group's investments are carried out in accordance with RBI Circular DBR. No. BP.BC.6/21.04.141/2015-16 dated July 01, 2015 and Fixed Income Money Market and Derivative Association (FIMMDA) guidelines FIMCIR/2017-18/001/ April 03, 2017.

ACCOUNTING AND CLASSIFICATION

Investments are recognized using the value date basis of accounting. 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 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.

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/under Strategic Debt Restructuring (SDR) 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 SDR 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

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category is deducted from interest income in accordance with RBI Circular DBR. No.BP. BC.6/21.04.141/2015-16 dated July 01, 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 purchase for priority sector lending requirements are valued at Book Value in accordance with FIMMDA guidelines FIMCIR/2017-18/001/April 03, 2017.

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 Primary Dealers Association of India jointly with FIMMDA.

The market/fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FIMMDA. 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.

The Group 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 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.

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.

Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

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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 FIMMDA 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 may additionally create 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) 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 01. 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.

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.

f) 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.

18.5.4 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. The Group also maintains additional general provisions on standard exposure based on the internal credit rating matrix as approved by the Board of the Group. These provisions are included in Schedule 5 - 'Other liabilities & provisions - Others'.

Further to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures (other than for home

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country exposure). Countries are categorised into risk categories as per Export Credit Guarantee Corporation of India Ltd. ('ECGC') guidelines and provisioning is done in respect of that country where the net funded exposure is one percent or more of the Group's total assets.

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 Group'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 and consideration is more than net book value, the Group records the security receipts at Net Book Value as per RBI guidelines.

18.5.5 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. The resulting profits or losses are recognized in the profit and loss account.

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 remittance or the disposal of the net investment in the non-integral foreign operations in accordance with AS - 11.

18.5.6 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, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. 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 outstanding during the period except where the results are anti dilutive.

18.5.7 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.

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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.

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/ termination of foreign exchange forward contracts and swaps are recognized as income/expense on the date of cancellation/termination under 'Other Income'.

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 Group's a general provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions.

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.

18.5.8 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 capitalized only when it increases the future benefit/ functioning capability from/ of such assets.

Fixed 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 fair value of the assets.

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18.5.9 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 Group'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 Group.
- 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 unamortised 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 Group, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

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 a specified period.

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 Group'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.

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LEAVE SALARY
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.

NEW PENSION SCHEME
The National Pension System (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 its annual contribution for the 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.

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. The Group recognizes MAT credit available as an asset only to the extent that the Group, based on reasonable evidence, will be able to recoup/set off MAT credit against income tax liability during the specified period i.e. the period for which MAT credit set off is allowed.

The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have reasonable evidence that it will be able to recoup set off of MAT credit against the income tax liability during the specified period.

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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 beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. 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 SHARE ISSUE EXPENSES

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

18.5.17 SEGMENT INFORMATION

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

18.6 EQUITY ISSUE

During the financial year ended March 31, 2017, the Bank has issued 32,711,000 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 1,500 per share aggregating to ₹ 49,066.50 million. The Bank accreted ₹ 48,239.39 million (net of share issue expenses of ₹ 500 million) as premium, on account of QIP. Provision on share issue expenses created by debiting to share premium account is on estimated basis. Adjustments, if any required, to share premium shall be made upon final settlement of these expenses. The Bank also issued 32,43,172 shares pursuant to the exercise of stock option aggregating to ₹ 1,010.12 millions.

During the financial year ended March 31, 2016, the Bank has issued 2,795,543 shares pursuant to the exercise of stock option aggregating to ₹ 739.51 millions.

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Movement in Share Capital-

₹ in millions

Share Capital	As at March 31, 2017	As at March 31, 2016
Opening Share Capital	4,205.32	4,177.36
Addition due to exercise of Stock Option	32.43	27.96
Addition due to shares issued to QIP	327.11	-
Closing Share Capital	4,564.86	4,205.32

18.7 INCOME TAXES

Provisions made for Income Tax during the year

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current income tax expense	18,395.53	13,487.58
Deferred income tax benefit	(1,259.69)	(1,223.27)
TOTAL	**17,135.85**	**12,264.31**

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, 2017 and March 31, 2016:

Changes in present value of Obligations

₹ in millions

	As at March 31, 2017	As at March 31, 2016
Present Value of Obligation at the beginning of the year	628.13	462.80
Interest Cost	45.86	35.44
Current Service Cost	193.29	161.92
Past Service Cost	-	-
Benefits Paid	(45.48)	(41.22)
Actuarial (gain)/loss on Obligation	81.13	9.19
Present Value of Obligation at the end of the year	902.92	628.13

SCHEDULES
FORMING A PART OF CONSOLIDATED FINANCIAL STATEMENTS

Changes in the fair value of planned assets:

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Fair value of plan assets at the beginning of the year	563.73	353.95
Adjustment to Opening Balance	5.39	-
Expected return on plan assets	54.57	31.03
Contributions	299.27	234.21
Benefits paid	(45.48)	(41.22)
Actuarial gain/(loss) on planned assets	8.45	(14.25)
Fair value of planned assets at the end of the period	885.95	563.73

The Group 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, 2017 and March 31, 2016 comprises the following components:

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Service Cost	193.29	147.71
Interest Cost	45.87	35.44
Expected Return on plan assets	(54.57)	(31.03)
Net Actuarial gain recognized in the year	72.68	23.44
Past Service Cost	-	-
Expenses recognized	257.27	175.55

Experience History:

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
(Gain)/Loss on obligation due to change in assumption	48.37	15.18	33.86	(62.75)
Experience (Gain)/Loss on obligation	32.76	(5.99)	(51.26)	5.34
Actuarial Gain/(Loss) on planned assets	8.46	(18.68)	(2.49)	(5.70)

SCHEDULES
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The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Discount Rate	6.69%-6.88%	7.49%
Expected Return on Plan Assets	8.00%	7%-8%
Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
Future Salary Increases	12%	6%-12%
Disability	-	-
Attrition	6%-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

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Present Value of Obligation at the end of the year	902.92	628.13
Fair value of planned assets at the end of the period	885.95	563.73
Plan asset/(liability)	(16.97)	(64.40)

The Group is yet to determine future contribution to Gratuity fund for Financial Year 2017-18

18.9 SEGMENT REPORTING

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 Group's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other Groups 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.

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Segmental results for the year ended March 31, 2017 are set out below:

₹ in millions

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	53,675.73	132,157.31	19,650.80	2,260.19	207,744.03
Add/(Less): Inter-segment					(1,316.79)
Revenue net of inter- segment					206,427.24
Result	25,403.84	40,759.92	(6,714.34)	1,221.23	**60,670.65**
Unallocated Expenses					(10,135.94)
Operating Profit					50,534.71
Income Taxes					17,135.85
Extra-ordinary Profit/(Loss)					-
Net Profit					**33,398.86**
Other Information:					
Segment assets	781,769.97	1,167,734.99	190,912.42	665.41	2,141,082.79
Unallocated assets					9,514.11
Total assets					**2,150,596.90**
Segment liabilities	437,090.24	873,096.42	577,399.92	1,466.90	1,889,053.48
Unallocated liabilities					261,543.42
Total liabilities					**2,150,596.90**

Segmental results for the year ended March 31, 2016 are set out below:

₹ in millions

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	35,755.78	108,541.41	11,404.45	917.17	156,618.82
Add/(Less): Inter-segment					6,008.79
Revenue net of inter-segment					162,627.61
Result	16,799.25	31,264.80	(4,051.36)	495.13	**44,507.81**
Unallocated Expenses					(6,946.62)
Operating Profit					37,561.20
Income Taxes					12,264.31
Extra-ordinary Profit/(Loss)					-
Net Profit					**25,296.89**
Other Information:					
Segment assets	633,739.95	899,772.84	111,290.59	119.96	1,644,923.33
Unallocated assets					7,502.89
Total assets					**1,652,426.22**
Segment liabilities	371,506.77	706,270.07	420,829.39	1,291.17	1,499,897.40
Unallocated liabilities					152,528.82
Total liabilities					**1,652,426.22**

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Notes for segment reporting:

1. The business of the Group 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 Include tax paid in advance/tax deducted at source and deferred tax asset.
5. The unallocated liabilities include Share Capital and Reserves and Surplus.
6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.
7. The Group has refined the allocation methodology and has allocated certain items that were previously classified as unallocated, to various segments. The same have been applied to segment information for previous periods also.

18.10 RELATED PARTY DISCLOSURES

The Group has transactions with its related parties comprising 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 Group's related parties for the year ended March 31, 2017 are disclosed below:

INDIVIDUALS HAVING SIGNIFICANT INFLUENCE:

- Mr. Rana Kapoor, Managing Director & CEO

KEY MANAGEMENT PERSONNEL ('KMP') (WHOLE TIME DIRECTOR)

- Mr. Rana Kapoor, Managing Director & CEO

The following represents the significant transactions between the Group and such related parties including relatives of above mentioned KMP during the year ended March 31, 2017:

₹ in millions

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
Deposits	#	#	5.77*	25.51
Interest paid	#		0.97	
Receiving of services	#		-	
Dividend paid	#		-	

* Represents outstanding as of March 31, 2017

In Financial Year 2016-17, there was only one related party in the said category, hence the Group 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".

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As per AS 18 "Related Party Disclosures", prescribed by the Companies (Accounting Standards) Rules, 2006, the Group's related parties for the year ended March 31, 2016 are disclosed below:

INDIVIDUALS HAVING SIGNIFICANT INFLUENCE:

- Mr. Rana Kapoor, Managing Director & CEO

KEY MANAGEMENT PERSONNEL ('KMP') (WHOLE TIME DIRECTOR)

- Mr. Rana Kapoor, Managing Director & CEO

The following represents the significant transactions between the Group and such related parties including relatives of above mentioned KMP during the year ended March 31, 2016:

₹ in millions

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
Deposits	#	#	5.41*	11.14
Interest paid	#		0.35	
Receiving of services	#		-	
Dividend paid	#		-	

* Represents outstanding as of March 31, 2016

In Financial Year 2015-16, there was only one related party in the said category, hence the Group 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, 2017 was ₹ 23,031.82 millions (Previous year: ₹ 22,847.93 millions).

As at March 31, 2017 and March 31, 2016 the Group had certain non-cancellable outsourcing contracts for information technology assets and properties on rent. The future minimum lease obligations against the same were as follows:

₹ in millions

Lease obligations	As at March 31, 2017	As at March 31, 2016
Not later than one year	2,581.87	3,229.21
Later than one year and not later than five years	9,104.42	15,047.65
Later than five years	11,345.53	4,571.07
TOTAL	**23,031.82**	**22,847.93**

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 Group reports basic and diluted earnings per equity share in accordance with AS-20, "Earnings Per Share". The dilutive impact is mainly due to stock options granted to employees by the Group.

The computation of earnings per share is given below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Basic (annualised)		
Weighted average no. of equity shares outstanding	422,140,801	418,916,568
Net profit/(loss) (₹ in millions)	33,398.86	25,296.89
Basic earnings per share (₹)	79.12	60.39
Diluted (annualized)		
Weighted average no. of equity shares outstanding	433,753,206	428,171,182
Net profit/(loss) (₹ in millions)	33,398.86	25,296.89
Diluted earnings per share (₹)	77.00	59.08
Nominal value per share (₹)	10.00	10.00

18.13 ESOP DISCLOSURES

Statutory Disclosures Regarding Joining Stock Option Scheme:

The Group has Five Employee Stock Option Schemes viz.

- Joining Stock Option Plan I (JSOP I),
- 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).

The schemes include provisions for grant of options to eligible employees of the Group and its subsidiaries/ affiliates. All the aforesaid schemes have been approved by the Nomination & Remuneration Committee (N&RC) and the Board of Directors and were also approved by the members of the Group. All these schemes are administered by the N&RC.

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.

JESOP II and JESOP III were in force for employees joining the Group up to March 31, 2006 and March 31, 2007 respectively.

YBL JESOP V is in force for employees joining the Group from time to time. Under JESOP V, 50% options vest takes place at the end of three years and remaining 50% at the end of five years from the date of Grant.

PESOP I, PESOP II and PESOP II - 2010 are Performance Stock Option Plans. Under PESOP I, 25% of the options granted would vest at the end of each year from the date of grant. Under PESOP II, 30% of the granted options

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vest at the end of first year, 30% vest at the end of second year and balance 40% vest at the end of third year. Under YBL PESOP II – 2010, 30% of the granted options vest at the end of the third year, 30% vest at the end of the fourth year and balance 40% vest at the end of the fifth year.

Further, grants under PESOP II had been discontinued with effect from January 20, 2010.

A summary of the status of the Group's stock option plans as on March 31, 2017 and March 31, 2016 is set out below:

	As at March 31, 2017		As at March 31, 2016	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	14,737,020	4,589,000	14,449,500	4,530,288
Granted during the year	872,050	821,500	2,378,350	1,427,250
Exercised during the year	2,226,137	1,017,035	1,812,580	982,963
Forfeited/lapsed during the year	422,500	270,475	278,250	385,575
Options outstanding at the end of the year	12,960,433	4,122,990	14,737,020	4,589,000
Options exercisable	4,527,933	824,490	3,990,320	990,825
Weighted average exercise price (₹)	307.68	319.73	276.49	242.49
Weighted average remaining contractual life of outstanding option (yrs)	1.86	2.12	2.10	2.07

The Group has charged Nil, being the intrinsic value of the stock options granted for the year ended March 31, 2017 and March 31, 2016. Had the Group 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 ₹ 464.49 millions (Previous year: ₹ 414.23 millions), the basic earnings per share would have been ₹ 78.02 (Previous year: ₹ 59.40) per share instead of ₹ 79.12 (Previous year: ₹ 60.39) per share; and diluted earnings per share would have been ₹ 75.93 (Previous year: ₹ 58.11) per share instead of ₹ 77.00 (Previous year: ₹ 59.08) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2017 and March 31, 2016.

	For the year March 31, 2017	For the year March 31, 2016
Risk free interest rate	6.29%-9.23%	7.38%-9.23%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	25.01%-50.67%	25.01%-57.52%
Expected dividends	1.50%	1.50%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.14 DEFERRED TAXATION

The net deferred tax asset of ₹ 6,036.41 millions as at March 31, 2017 and ₹ 4,776.73 millions as at March 31, 2016 is included under other assets and the corresponding credits have been taken to the profit and loss account.

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The components that give rise to the deferred tax asset and liability included in the balance sheet are as follows:

₹ in millions

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax asset		
Depreciation	280.89	222.23
Provision for gratuity and unutilized leave	176.33	130.33
Provision for Non-Performing Assets	1,440.86	640.49
Amortisation of premium on HTM securities	678.82	581.36
Provision for standard advances	2,636.61	2,348.88
Other Provisions	822.90	853.44
TOTAL NET DEFERRED TAX ASSET/ (LIABILITY)	**6,036.41**	**4,776.73**

18.15 PROVISIONS AND CONTINGENCIES

The breakup of provisions of the Group for the year ended March 31, 2017 and March 31, 2016 are given below

₹ in millions

	For the year ended March 31, 2017	For the year ended March 31, 2016
Provision for taxation	17,135.85	12,264.31
Provision for investments	522.12	25.34
Provision for standard advances	831.39	381.56
Provision made/write off for non-performing advances	6,642.28	4,979.02
Others Provisions*	(53.87)	(22.91)
TOTAL	**25,077.77**	**17,627.32**

* Other Provisions includes provision made against other assets and provision for sacrifice of interest on Restructured Assets.

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 no reported cases of interest payments due to delays in such payments to Micro, Small and Medium enterprises. Auditors have relied upon the above management assertion.

18.17 ADDITIONAL DISCLOSURE

Additional statutory information disclosed in the separate financial statements of the Group 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.

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18.18 DESCRIPTION OF CONTINGENT LIABILITIES

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Group not acknowledged as debts	The Group is a party to various legal and tax proceedings in the normal course of business. The Group does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts.	The Group 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 Group'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 Group 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 Group. Guarantees generally represent irrevocable assurances that the Group will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4.	Other items for which the Group is contingently liable	- Value dated purchase of securities - Capital commitments - Amount deposited with RBI under Depositor Education Awareness Fund - Foreign Exchange Contracts (Tom & Spot)
		Refer Schedule 12 for amounts relating to contingent liability

18.19 SOFTWARE CAPITALIZED UNDER FIXED ASSETS

The Group has capitalized software under Fixed Asset amounting to ₹ 821.46 millions and ₹ 487.24 millions during the financial year ended March 31, 2017 and March 31, 2016 respectively:

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₹ in millions

Particulars	At at March 31, 2017	At at March 31, 2016
Cost at March 31, of preceding year	1,685.58	1,198.35
Additions during the year	821.46	487.24
Deductions during the year	-	-
Depreciation to date	(1,501.76)	(1,092.08)
Net block	**1,005.28**	**593.51**

18.20 PROVISION FOR LONG-TERM CONTRACTS

The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group 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.

18.21 DISCLOSURE ON SPECIFIED BANK NOTES

Ministry of Corporate Affairs has issued a Notification dated March 30, 2017 regarding amendment in Schedule III to the Companies Act 2013, wherein every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 in their Financial Statements ending March 31, 2017. In terms of Section 129(1) of Companies Act, the provisions contained in Schedule III are not be applicable to Banks and the same has been clarified by RBI that the disclosure is not warranted for Banks. The subsidiary of the Bank has Nil reporting for Specified Bank Notes (SBN).

18.22 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
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors
YES BANK Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Rana Kapoor
Managing Director & CEO
(DIN: 00320702)

Ashok Chawla
Non-Executive Independent Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN: 02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 19, 2017

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

(amt in ₹ 000)

1	Sr. No.	1
2	Name of the subsidiary	YES Securities (India) Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
5	Share capital	500,000
6	Reserves & surplus	(144,289)
7	Total assets	664,364
8	Total Liabilities	664,364
9	Investments	Nil
10	Turnover	633,001
11	Profit before taxation	93,529
12	Provision for taxation	(4,363)
13	Profit after taxation	97,892
14	Proposed Dividend	Nil
15	% of shareholding	100%
1	Names of subsidiaries which are yet to commence operations	Nil
2	Names of subsidiaries which have been liquidated or sold during the year	Nil

PART "B": ASSCOCIATES AND JOINT VENTURES

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Asscoiate 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_March_31_2017.pdf

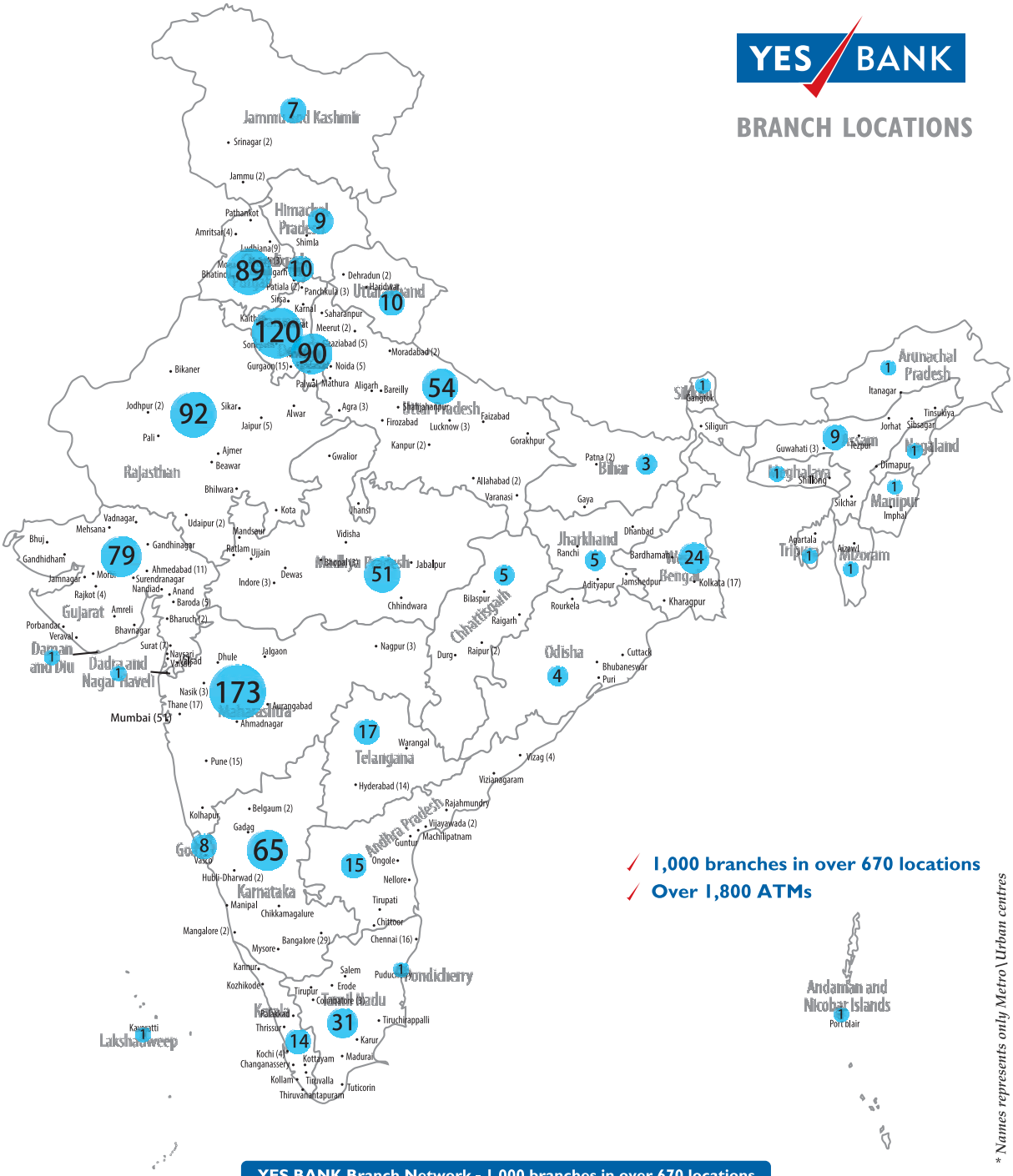
NOTES

NOTES

ABOUT YES BANK

YES BANK

BRANCH LOCATIONS



YES BANK Branch Network - 1,000 branches in over 670 locations

North : Adampur, Agra (3), Ajaib, Ajnala, Aligarh, Alipur, Allahabad (2), Alwar, Ambala Cantt, Amritsar (4), Anantnag, Anupshahr, Atail, Badli, Badshahpur, Baghpat, Bahadurgarh, Bahamnoli, Banga, Bansur, Banur, Bara Banki, Baran, Bareilly, Barnala, Batala, Bawal, Begowal, Behror, Bhaini Chanderpal, Bhadson, Bhaini Surjan, BhangRola, Bharan, Bharwani, Bhatinda (2), Bhiwadi, Bhogpur, Bilari, Bina, Bishanpura, Budhlada, Chandigarh (10), Chawri Bazar, Cheeka, Dadar, Damdama, Dasna, Dasuya, Daula, Dayalbagh, Debai, Dehradun (2), Derabassi, Dhamar, Dhampur, Dhand, Dharamsala, Dhariwal, Dharuhera, Dholpur, Dhor, Dhuri, Dundahera, Dungarpur, Faridabad, Fatehabad, Fatehgarh Churiyan, Faizabad, Firozabad (2), Firozpur, Gajraula, Ganaur, Gangapur City, Garhi Bazidpur, Garhi Harsaru, Ghaziabad (4), Goela Kalan, Gohana, Gorakhpur, Goraya, Greater Noida, Gulaothi, Gurdaspur, Gurgaon (15), Haileymandi, Harda, Haridwar, Hayatpur, Hoshangabad, Hoshiarpur, Indri, Jakhoda, Jalandhar (3), Jammu (2), Jandiala, Jaspur, Jatal, Jatiyana, Jatola, Jhajjar, Jhansi, Jind, Kabri, Kaithal, Kalka, Kangra, Kankrola, Kanonda, Kanpur (2), Kapurthala, Karauli, Karnal, Karola, Kartarpur, Kasana, Kashipur, Katra, Kerwa Jat, Khairthal, Khandewla, Khandsa, Khanna, Kharak Jatan, Kharar (2), Khekra, Kherka Gujar, Kherla, Kherli, Kisangarh, Kithoor, Kosi Kalan, Kulasi, Kunda, Kundli, Kurali, Lachhmangarh, Ladpur, Ladwa, Lawa Khurd, Lohian Khas, Lucknow (3), Ludhiana (9), Madlauda, Mahilpur, Malerkotla, Manali, Mandawar, Mandi, Mandi Gobindgarh, Manesar, Marot, Mathura, Mayur Vihar, Meerut (2), Mehrana, Modinagar, Moga, Mohali (3), Moradabad (2), Morinda, Mukerian, Muktsar, Mussoorie, Nabha, Nakodar, Nangal, Narnaul, Narwana, Navarangpur, Nawada Fatehpur, Nawanshahr, Neemrana, New Delhi (88), Nilauthi, Noida (5), Nurmahal, Palwal, Panchkula (3), Panipat, Paonta Sahib, Pathankot, Patiala (2), Pehowa, Pelpa, Phagwara, Phalodi, Phullanwala, Pilana, Pinjore, Radaur, Rai, Rajdhani Enclave, Rajgarh, Rajpura, Ramgarh, Ramnagar, Ratangarh, Rawatbhata, Rayya, Rehtoj, Rishikesh, Rohtak, Roorkee, Rudrapur, Rupnagar (Ropar), Safidon, Saharanpur, Sahnewal, Samalkha, Samchana, Samrala, Sangrur Sankhol, Sardhana, Shahbad Shahjahanpur, Shahkot, Shajapur, Shakarpur, Shikarpur, Shimla, Shrinagar (Hathras), Shujalpur, Siana, Sikanderpur, Sirsa, Sohana, Solan, Sonepat, Srinagar (2), Sultanpur Lodhi, Sunderpur, Taoru, Tigaon, Tohana, Toolera, Udhampur, Una, Urmar Tanda, Varanasi, Wazirabad, Yamuna Nagar, Zirakpur (2)

West : Abu Road, Adalaj, Ahmadnagar, Ahmedabad (11), Ainpur, Ajmer, Amalner, Amreli, Anand, Ankleshwar, Aurangabad, Balda, Balotra, Banswara, Baramati, Bardoli, Bareli, Barmer, Baroda (5), Bavla, Beawar, Belavli, Betul, Bhadole, Bharuch, Bhavnagar, Bhawani Mandi, Bhilwara, Bhinder, Bhinmal, Bhomnagar, Bhopal (3), Bhorwadi, Bhuj, Bikaner, Bilara, Bodakdev, Bodeli, Borsad, Butibori, Calangute, Chakan, Chhindwara, Chikhli, Chimbhali, Chiplun, Chittaurgarh, Chomu, Curchorem, Dahej, Daman, Dariba, Daund, Dausa, Deesa (M), Dehgam, Deogarh, Deolali, Deoli, Dewas, Dhar, Dhule, Dholka, Dwarka, Fatehnagar, Gandhidham, Gandhinagar, Ghodegoan, Gwalior, Halol, Hukkeri, Igatpuri, Indapur, Indore (3), Itrasi, Jabalpur, Jaipur (5), Jaitaran, Jalgaon, Jalor, Jamkhandi, Jamnagar, Jamner, Jhalawar, Jodhpur (2), Junnar, Kadi, Kandli, Kannad, Kareli, Kolhapur, Kota, Kotputli, Kudal, Kundewahal, Lalsot, Lasalgaon, Mahalingpur, Manawar, Mandalgarh, Mandideep, Mandsaur, Mapusa, Margao, Mehsana, Merta City, Morbi, Mudhol, Mumbai Metropolitan Region (71), Nadiad, Nagaur, Nagda, Nagpur (3), Narsinghpur, Nashik (3), Nasirabad, Nathdwara, Navsari, NDA, Neem-Ka-Thana, Nidhrad, Niwai, Nokha, Owle, Ozar, Padra, Pali, Pandhurna, Panjim, Parner, Pen, Pilani, Pipariya, Pithampur, Ponda, Por, Porbandar, Pune (15), Raisen, Rajgarh (Dhar), Rajgurunagar (Khed), Rajkot (4), Rajsamand, Ramganj Mandi, Ratlam, Raver, Roha, Rupal, Sachin, Sanand, Santacruz (W) - S V Road, Sawai Madhopur, Sausar, Sehore, Sendhwa, Seoni Malwa, Shahapur, Shahpura, Shirdone, Shri Dungargarh, Sihorli, Sikar, Silvassa, Sinnar, Sojat Road, Srigonda, Sumerpur, Surat (6), Surendranagar, Udaipur (2) , Udaipurvati Ujjain, Umrane, Umred, Unjha, Uran, Vadaj, Vadgaon Kasba, Vadnagar, Vadsala, Vallabh Vidyanagar, Valsad, Vapi, Varca, Vasco, Veraval, Vidisha, Vijapur, Virar, Visnagar, Vita, Waluj, Warulwadi, Yeola

South : Ambur, Bangalore (29), Belgaum (2), Changanassery, Chennai (16), Chikkamangalur, Chikkodi, Chittoor, Coimbatore (3), Dharwad, Devanahalli, Erode, Gadag, Gorebal, Guntur, Haveri, Hosur, Hubli -Dharwad, Hyderabad (14), Kannur, Karatgi, Karur, Kavaratti, Kochi (4), Kollam, Koppal, Kottayam, Kozhikode, Kurichi, Lingasugur, Ongole, Machilipatnam, Madurai, Malapuram, Mangalore (2), Manipal, Manvi, MVP Colony, Mysore, NAD Junction, Narasaraopet, Nellore, Palakkad, Puducherry, Rajahmundry, Rameswaram, Salem, Shamshabad, Shanti Nagar, Sindhunur, Sriperumbudur, Suryapet, Thiruvanantapuram, Thrissur, Tiruchirappalli, Tirupati, Tiruppur, Tiruvalla, Triplicane, Tuticorin, Vijayawada (2), Vizag (4), Vizianagaram, Warangal, Yadgir

East : Adityapur, Agartala, Aizwal, Asansol, Bardhaman, Bhubhaneshwar, Bidhan Nagar (2), Bilaspur, Chas - Bokaro, Cuttack, Dhanbad, Dimapur, Durg Bhilai, Durgapur, Gangtok, Gaya, Guwahati (3), Howrah, Imphal, Itanagar, Jamshedpur, Jorhat, Kalyani, Kharagpur, Kolkata (15), Patna (2), Port Blair, Puri, Raigarh, Raipur (2), Ranchi, Rourkela, Shillong, Sibsagar, Silchar, Siliguri, Tezpur, Tinsukiya

The map does not purport to be the political map of India or any part of India.

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