May 8, 2015

Mr Girish Joshi, GM –
Department of Corporate Services
BSE Limited
Corporate Relations Department
1st Floor, New Trading Ring
P.J. Towers, Dalal Street
Mumbai – 400 001
BSE Scrip Code: 532648

Mr. Avinash Kharkar, AVP – Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051.
NSE Symbol: YESBANK

Dear Sir,

Sub: Compliance with clause 31 (a) of the Listing Agreement

In terms of Clause 31 (a) of the Listing Agreement, we enclose the copies of following documents for your information and record:

- Annual Report of the Bank for the financial year 2014-2015, *interalia* containing the Annual Business Responsibility Report
- Notice of the 11th AGM and E-voting Form.
- Form A

Thanking you,

Yours faithfully,

For **YES BANK LIMITED**

Shivanand R. Shettigar
Company Secretary

Regd. & Corporate Office: ***YES BANK Limited,*** *Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai 400 018, India.*
Tel: +91(22) 6669 9000 Fax: +91(22) 6669 9060
Northern Regional Corporate Office: ***YES BANK Limited,*** *48, Nyaya Marg, Chanakyapuri, New Delhi 110 021, India.*
Tel: +91(11) 6656 9000 Fax: +91(11) 4168 0144
Website: www.yesbank.in Email: communications@yesbank.in ***CIN - L65190MH2003PLC143249***

FORM A

Covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the company	YES BANK Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

Viren H. Mehta
Partner
Membership No: 048749

For YES BANK Limited

Rana Kapoor
Managing Director & CEO

Rajat Monga
Chief Financial Officer

Ajay Vohra
Chairman - Audit Committee

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of **YES BANK Limited** (the **'Bank'**) will be held on Saturday, June 6, 2015 at 11.00 A. M., at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018, to transact the following business:

Ordinary Business:

1. To consider and adopt:

   a. the audited financial statements of the Bank for the financial year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon; and

   b. the audited consolidated financial statements of the Bank for the financial year ended March 31, 2015 and the Report of the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Mr. M. R. Srinivasan (DIN: 00056617), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 *(including any statutory modification(s) or re-enactment(s) thereof for the time being in force)* and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time and subject to approval from the Reserve Bank of India and such other regulatory authorities, as may be applicable, **M/s. S. R. Batliboi & Co. LLP., Chartered Accountants (Firm Registration No. 301003E) retiring Auditors of the Bank, be and are hereby appointed as Auditors of the Bank for the period of one (1) year**, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Twelfth Annual General Meeting of the Bank, on such remuneration as shall be decided by the Board of Directors or any Committee thereof."

Special Business:

5. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 *(including any statutory modification(s) or re-enactment(s) thereof for the time being in force)* and the rules, circulars and guidelines issued by the Reserve Bank of India, **the appointment of Mr. Ajay Vohra (DIN- 00012136) as an Independent Director of the Bank, be and is hereby approved for a period from April 1, 2015 upto April 28, 2016, not liable to retire by rotation.**"

6. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 *(including any statutory modification(s) or re-enactment(s) thereof for the time being in force)* and the rules, circulars and guidelines issued by the Reserve Bank of India and subject to approval of Reserve Bank of India, **the appointment of Mr. Diwan Arun Nanda (DIN- 00034744) as an Independent Director of the Bank, be and is hereby approved for a period of five years, effective from April 1, 2015, not liable to retire by rotation."**

7. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, applicable provisions of the Banking Regulation Act, 1949 *(including any statutory modification(s) or re-enactment(s) thereof for the time being in force),* and pursuant to the approval accorded by the Reserve Bank of India, **the approval of the Members of the Bank be and is hereby accorded for payment of remuneration to Mr. Rana Kapoor (DIN- 00320702), Managing Director & Chief Executive Officer of the Bank, with effect from April 1, 2014** on the following terms:

	(Amount in ₹) (per annum)
Particulars	**Remuneration to MD & CEO**
Basic Salary (Annual)	15,725,808/-
Dearness allowances	7,321,987/-
Other allowance	2,773,385/-
Total	**25,821,180/-**
Perquisite	
Bank furnished and maintained accommodation	Actual
Free use of two Bank's car with driver for official & private purposes	Actual
Provident Fund	1,887,097/-
Gratuity	As per Bank's Policy
Pension	1,572,581/-
Traveling and Halting Allowances	-
Other benefits, if any -	
(i) Gas, Electricity & Water	Actual
(ii) Medical	Actual
(iii) Residence Telephone	2 Telephones
(iv) Medical Insurance	As per Bank's Policy
(v) Life Insurance/ Personal Accident Insurance	As per Bank's Policy
(vi) Club Membership	2 clubs
Leave Fare Concession	810,000/-
Bonus	As may be decided by the Board of Directors, subject to approval of RBI

RESOLVED FURTHER THAT the other terms and conditions of his appointment remain unchanged.

RESOLVED FURTHER THAT the Board of Directors *(hereinafter referred to as the "Board" which term shall include any Committee which the Board of Directors of the Bank may have constituted or may thereafter constitute and delegate with the powers necessary for the purpose)* of the Bank be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and / or officer(s) of the Bank to give effect to this Resolution."

8. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 203 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, Section 10B and other applicable provisions of the Banking Regulations Act, 1949 *(including any statutory modification(s) or re-enactment thereof for the time being in force)* and the Rules, Circulars and Guidelines issued by the Reserve Bank of India (the '**RBI**'), the provisions of the Articles of Association of the Bank and subject to the approval of RBI and subject to the conditions as may be prescribed by RBI while granting such approval, **Mr. Rana Kapoor (DIN- 00320702) be and is hereby re-appointed as the Managing Director and CEO of the Bank with effect from September 1, 2015 for a period of 3 years.**

RESOLVED FURTHER THAT subject to Section 197 of the Companies Act, 2013, Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other applicable rules, if any, applicable provisions of the Banking Regulation Act, 1949 *(including any statutory modification(s) or re-enactment thereof for the time being in force),* the provisions of the Articles of Association of the Bank and subject to the approval of RBI, **the approval of the Members of the Bank be and is hereby accorded for payment of remuneration to Mr. Rana Kapoor (DIN- 00320702), Managing Director & CEO, for the financial year beginning April 1, 2015 on the following terms, with an annual increment of up to a maximum of 20% for every year thereafter during the currency of his proposed term:**

Salary effective from April 1, 2015:

Particulars	Amount in ₹ per annum
Basic Salary	18,870,970
Dearness allowances	8,786,384
Other allowances	3,328,062
TOTAL	**30,985,416**

Bonus:
Mr. Rana Kapoor shall also be entitled to an annual performance bonus as may be determined by the Board / Nomination & Remuneration Committee of the Board in terms of the Compensation Policy of the Bank and in terms of the Guidelines of the RBI on the Compensation of Managing Directors / Whole Time Directors, etc. and as approved by RBI.

Perquisites:
Mr. Rana Kapoor shall continue to be eligible for perquisites (evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Bank) such as the benefit of the Bank's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with RBI approvals.

RESOLVED FURTHER THAT the Board of Directors *(hereinafter referred to as the "Board")* of the Bank be and is hereby authorized to alter and vary the terms and conditions of the said re-appointment (including authority, from time to time, to determine the amount of salary as also the type and amount of perquisites, bonus and other benefits payable to Mr. Rana Kapoor), in such manner as may be agreed to between the Bank and Mr. Rana Kapoor, within the limits approved by the Members and to the extent the Board may consider appropriate and as may be permitted or authorized by RBI on an application made by the Bank, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and / or officer(s) of the Bank to give effect to this Resolution."

9. To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, to the extent notified and in effect (the **"Companies Act"),** the Banking Regulation Act, 1949, as amended, the Foreign Exchange Management Act, 1999, as amended and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, the Rules, Regulations, Guidelines, Notifications and Circulars, if any, prescribed by the Government of India, Reserve Bank of India (**RBI),** the Securities and Exchange Board of India (**SEBI)** including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **"ICDR Regulations"**) or any other competent authority, whether in India or abroad, from time to time, to the extent applicable including enabling provisions of the Listing Agreements entered into with the stock exchanges (the **"Listing Agreements"**) and in accordance with the provisions of the Memorandum and Articles of Association of YES BANK Limited (the **"Bank"**) and subject to approvals, consents, permissions and sanctions as might be required and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by, **the Board of Directors of the Bank** *(hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution)*, **be and is hereby authorized on behalf of the Bank, to create, offer, issue and allot in one or more tranches,** in the course of domestic and/ or international offering(s) in one or more foreign markets, by way of a public issue, preferential issue, qualified institutions placement, private placement or a combination thereof of Equity Shares or

through an issuance of Global Depository Receipts (**"GDRs"**), American Depository Receipts (**"ADRs"**), Foreign Currency Convertible Bonds (**"FCCBs"**), fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments or securities convertible into Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the "**Securities**") or any combination of Securities, to all eligible investors, including residents and/ or non-residents and/or institutions/banks and/ or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, and whether or not such investors are Members of the Bank (collectively the "**Investors**"), through one or more prospectus and/or letter of offer or circular, and/or on private placement basis, at such time or times, at such price or prices, and on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, for, or which upon exercise or conversion of **all Securities so issued and allotted, could give rise to the issue of Equity Shares of ₹ 10/- each (Rupees Ten) aggregating upto USD 1 billion or its Indian Rupee equivalent provided however that the aggregate amount to be raised by issue of Securities as above 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**, in one or more tranche or tranches, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations) at the Board's discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Bank, and where necessary in consultation with the Book Running Lead Managers and/or Underwriters and/or Stabilizing Agent and/ or other Advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, as the Board may in its absolute discretion decide at the time of issue of the Securities.

RESOLVED FURTHER THAT in case of a qualified institutions placement pursuant to the ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be made to Qualified Institutional Buyers within the meaning of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under the ICDR Regulations. The Bank may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to Qualified Institutional Buyers under the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as ADRs or GDRs, the pricing of the Securities and the relevant date, if any, for the purpose of pricing of the Securities to be issued pursuant to such issue shall be determined in accordance with the provisions of applicable law including the provisions of the Depository Receipts Scheme, 2014 (the **"2014 Scheme"**), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities *(including any statutory modifications, amendments or re-enactment thereof)*.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as Foreign Currency

Convertible Bonds (FCCBs), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Securities to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorized Committee of Directors decides to open such issue after the date of this resolution.

RESOLVED FURTHER THAT pursuant and subject to the applicable provisions of the 2014 Scheme, the Foreign Exchange Management Act, 1999, and the regulations framed thereunder, each as amended (the **"FEMA"**) (including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended), the applicable provisions of the Companies Act, and any other laws, rules, regulations, guidelines, notifications, clarifications and circulars issued from time to time by the Government of India (any ministry, department or agency thereof), the RBI, SEBI, the Tax Authorities in India, applicable government and regulatory authorities in the United States of America and its territories and jurisdictions, and any other government and regulatory authority, whether in India or outside India, and in accordance with the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies)(collectively, **"Applicable Law"**), the Board be and is hereby authorized to decide upon, at its discretion, the facilitation of an exit by any current or future holder of Equity Shares (**"Permissible Securities"**) through the issue of Depositary Receipts (**"DRs"**), and a transfer of Permissible Securities by any current or future holder of a Permissible Security to a foreign depository for the purpose of issue of DRs, pursuant to a sponsored depository receipt program, through transactions permitted under Applicable Law (including without limitation on a recognized stock exchange, in bilateral transactions or by tendering through a public platform), where such DRs may be issued by the foreign depository and offered and sold in one or more transactions by way of a private placement, public offering or in any other manner prevalent and permitted in a permissible jurisdiction under Applicable Law, at such price (including any premium or discount) as may be permitted under Applicable Law.

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, *inter alia*, subject to the following terms and conditions:

(a) in the event the Bank is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

(b) in the event of the Bank making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing Members;

(c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and

(d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT, without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions

in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorized, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to create, issue, offer and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any depository receipts or other Securities referred to above or as may be necessary in accordance with the terms of the offer, and all such Equity Shares shall be issued in accordance with the terms of the Memorandum and Articles of Association and shall rank *pari passu inter se* and with the then existing Equity Shares of the Bank in all respects.

RESOLVED FURTHER THAT, for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and providing legal advise as well as acting as depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalize, approve and issue any document(s), including but not limited to prospectus and/or letter of offer and/or circular, documents and agreements including filing of registration statements, prospectus and other documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT, for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Bank to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT:

i. the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide, subject, however, to applicable guidelines, notifications, rules and regulations;

ii. the Equity Shares to be issued by the Bank as stated aforesaid shall rank *pari-passu* with all existing Equity Shares of the Bank;

iii. the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the above mentioned Equity Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient;

iv. the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various transaction documents, as it may in its absolute discretion deem fit and to settle all questions,

difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any its powers herein conferred by this resolution to any Committee of Director or Directors or any one or more executives of the Bank to give effect to the above resolution."

10. To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** in supersession of the resolution passed by the Members of the Bank on November 8, 2013 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder *(including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force)* and the relevant provisions of the Memorandum and Articles of Association of the Bank, **the consent of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank to borrow such sum of money in any manner**, from time to time, upon such terms and conditions as they may think fit, notwithstanding that the money to be borrowed together with the monies already borrowed by the Bank (apart from deposits accepted in the ordinary course of business, temporary loans repayable on demand or within six months from the date of the loan or temporary loans, if any, obtained from the Bank's bankers) may exceed the aggregate of the paid-up share capital of the Bank and its free reserves, that is to say, reserves not set apart for any specific purposes, and determine, fix, arrange or agree to the terms and conditions of all such monies borrowed/ to be borrowed from time to time, **provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 50,000 Crores (Rupees Fifty Thousand Crores only**).

RESOLVED FURTHER THAT the Board be and is hereby authorized to take, from time to time, all decisions and steps as the Board may deem fit, necessary or expedient or proper to give effect to this Resolution and give such directions as may, in its absolute discretion, deem fit or necessary and to settle any question that may arise in this regard."

11. To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** in supersession of the resolution passed by the Members of the Bank on January 17, 2015 and pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India (**"RBI"**) from time to time *(including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force)* and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), **the approval of the Members of the Bank be and is hereby accorded for borrowing/raising funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds** *(including bonds forming part of Tier I/ Tier II capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time)* **upto ₹ 10,000 Crores (Rupees Ten Thousand Crores Only**) (collectively the "**debt securities**") by the Bank, in one or more tranches and/or series, in domestic and /or overseas market, as per the agreed structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "Board") of the Bank or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter *(along with the application form)*, information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

12. To consider and if thought fit, to pass the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to provisions of the Foreign Exchange Management Act, 1999 (FEMA), as applicable, including the regulations, guidelines and circulars issued thereunder, and all other applicable rules, regulations, guidelines, circulars, policies and laws, as applicable *(including any modifications or re-enactment(s) thereof, from time to time)* and subject to all applicable approval(s), permission(s), sanction(s), consent(s) and intimation(s), as may be required, and subject to such condition(s) as may be prescribed by the Reserve Bank of India or any other the relevant authorities, while granting such approval(s), permission(s), sanction(s) and consent(s), as may be required, **the consent of the Members of the Bank be and is hereby accorded to permit Foreign Portfolio Investors ("FPIs") and Foreign Institutional Investors ("FIIs")**, as defined under the relevant regulations by the Securities and Exchange Board of India, including their sub-accounts, to acquire and hold Equity Shares of the Bank, by purchase or acquisition through primary or secondary market route, and under the 'portfolio Investment scheme' under FEMA or otherwise, upto an aggregate limit of **74% of the paid-up share capital of the Bank or such other limit as may be permissible under applicable laws**, **regulations** or guidelines as at the relevant date(s) as recorded by the Board of Directors of the Bank from time to time, provided however that the shareholding of each FPI or FII, on its own account and on behalf of each of their sub-accounts in the Bank shall not exceed such limits as are or as may be prescribed, from time to time, under applicable laws, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Bank be and is hereby authorized to take all such steps and actions, including determination of the permissible limit of aggregate holding of FPIs, FIIs and their sub account in the Bank, and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate including settling any question that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to execute all such documents, deeds, intimations and writings as may be required for the aforesaid purpose and which it may deem fit in the interest of the Bank, to delegate all or any its powers herein conferred by this resolution to any Committee of Director or Directors or any one or more executives of the Bank, and do all such acts, deeds and things as may be deemed necessary in order to give effect to the above resolution"

By Order of the Board of Directors

Place: Mumbai
Dated: April 22, 2015

Shivanand R. Shettigar
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM or the Meeting) is entitled to appoint a proxy to attend and vote on a poll, instead of himself/ herself and the proxy need not be a Member of the Bank. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent of the total share capital of**

the Bank carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Bank not later than forty-eight hours before the commencement of the Meeting.

2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.

3. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.

4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

6. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.

7. The register of Members and share transfer Books of the Bank would remain closed from Monday, May 25, 2015 to Saturday, June 6, 2015 (both days inclusive).

8. Dividend on Equity shares as recommended by the Board of Directors for the year ended March 31, 2015, if approved at the Meeting, will be payable to those Members who hold shares:

   (a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Saturday, May 23, 2015.

   (b) In physical mode, if their names appear in the Bank's Register of Members after giving effect to all valid transfers in physical form lodged with the Bank and its Registrar and Transfer Agents before Saturday, May 23, 2015.

9. Brief profile of the Directors proposed to be appointed/re-appointed, as required under Clause 49 of the Listing Agreement with the Stock Exchange(s) is attached to this Notice.

10. In terms of Section 139(1) of the Companies Act, 2013, the Statutory Auditors can be appointed for maximum two terms of five consecutive years each. However, in terms of the RBI Circular issued on the appointment of Statutory Central Auditors for Indian Private Sector Banks, an audit firm can continue as the Statutory Central Auditor of a private sector bank for a period of four years and thereafter the said firm will be compulsorily rested for two years. Since M/s. S. R. Batliboi & Co. LLP., Chartered Accountants (Firm Registration No. 301003E), retiring Statutory Auditors has held the office of Auditor for a period of three years, the re-appointment of M/s. S. R. Batliboi & Co. LLP., Chartered Accountants (Firm Registration No. 301003E) for second term of one year has been put up for the approval of Members, subject to approval of Reserve Bank of India.

11. RBI vide Circular No. DBOD. No. BC. 116/08.139.001/2001-02 dated June 20, 2002 read with RBI Circular DBOD. No. BC. 24/08.139.001/2002-03 dated September 9, 2002 – "Report of the Consultative Group of Directors of Banks / Financial Institutions (Dr. Ganguly Group) - Implementation of recommendations" had recommended the eligibility criteria and 'fit and proper' norms for nomination of Directors which also prescribed that while nominating Independent/ Non-Executive Directors on private sector banks, the age of such Director shall be between 35 and 70 years. As Mr. M. R. Srinivasan (DIN- 00056617) and Mr. Diwan Arun Nanda (DIN- 00034744), Directors of the Bank have crossed the age limit of 70 years, the Bank had sought a formal view from the RBI on their continuing on the Board after completion of 70 years of age. RBI vide letter No. DBR. Appt. No. 13056/29.47.001/2013-14 dated March 4, 2015 had given their concurrence for the continuation of Mr. M. R. Srinivasan (DIN- 00056617) and Mr. Diwan Arun Nanda (DIN- 00034744) as Non-Executive Directors on the Board of the Bank till October 2016.

Accordingly, in terms of Section 152 of the Companies Act, 2013, the approval of the Members has been sought for re-appointment of Mr. M. R. Srinivasan (DIN- 00056617), retiring Director, as Non-Executive Director, liable to retire by rotation and he may hold office till October 22, 2016 or for such further period as may be approved by RBI. Further, approval of Members is being sought for appointment of Mr. Diwan Arun Nanda (DIN- 00034744) as Independent Director, the details of which are provided in the explanatory statement to the Item no. 6 of this notice.

12. The certificate from the Statutory Auditors of the Bank certifying that the Bank's Employees Stock Option Schemes are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the members of the Bank, will be available for inspection by the Members at the Annual General Meeting.

13. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Bank on all working days between 10.00 A.M. and 12.00 noon up to the date of the Meeting.

14. The Members, desiring any information relating to the accounts, are requested to write to the Bank at an early date, so as to enable the management to keep the information ready.

15. In support of the "Green Initiative" announced by the Government of India and as well as Clause 32 of the Listing Agreement executed with Stock Exchanges, electronic copy of the Annual Report and this Notice, *inter alia* indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Bank /Depository Participants unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice *inter-alia* indicating the process and manner of remote e-voting along with attendance slip and proxy form, will be sent to them in the permitted mode.

    The Bank hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or the Karvy Computershare Private Limited, Registrar and Transfer Agent (R&T) of the Bank. Further, Members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants / R&T of the Bank. Members holding shares in physical mode are also requested to update their email addresses by writing to the R &T of the Bank quoting their folio number(s).

16. In terms of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, the Bank is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on the cut-off date, being Saturday, May 30, 2015, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice (the "**Remote e-voting**"). The Remote e-voting commences on Tuesday, June 2, 2015 (10:00 A.M.) and ends on Friday, June 5, 2015 (5:00 P.M.). Detail of the process and manner of Remote e-voting along with the User ID and Password is being sent to all the Members along with the Notice.

17. In terms of the recent amendment to the Companies (Management and Administration) Rules, 2014 with respect to the **Voting through electronic means**, the Bank is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date being Saturday, May 30, 2015, subject to the provisions of the Banking Regulation Act, 1949, as amended.

18. The Board of Directors has appointed **Mr. B. Narasimhan, Company Secretary of M/s B. N. & Associates, Company Secretaries, failing him, Mr. Keyoor Bakshi, Partner, BNP & Associates, Company Secretaries as a Scrutinizer** to scrutinize the voting and Remote e-voting process in a fair and transparent manner.

19. The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Bank and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

20. The Results of voting will be declared and the same along with Scrutinizer's Report(s) will be published on the website of the Bank (www.yesbank.in) and on Service Provider's website (https://evoting.karvy.com) and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts relating to special business:

Item No. 5

Mr. Ajay Vohra (DIN- 00012136) was re-appointed as a Director liable to retire by rotation under Companies Act, 1956 by the Members of the Bank at the Annual General Meeting held on June 8, 2013. He has been on the Board of the Bank since April 29, 2008 as an Independent Director of the Bank. Further, in terms of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. Ajay Vohra that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Equity Listing Agreement, and the Board is of opinion that he fulfills the conditions specified therein and is independent of the management. Furthermore, the Board based on the performance evaluation of Mr. Ajay Vohra has recommended his appointment as Independent Director of the Bank, not liable to retire by rotation, for a period from April 1, 2015 upto April 28, 2016 to the Members for approval.

Further, Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2014 dated June 9, 2014 has clarified that if the Company intends to appoint the existing Independent Directors under Companies Act, 2013, such appointment shall be made expressly under the Section 149(10)/(11) read with Schedule IV of the Act within one year from April 1, 2014, subject to compliance with eligibility and other prescribed conditions. As the said Circular was issued few days before the 10th AGM of the Bank held on June 14, 2014 and the notice for the same was already dispatched by the Bank by then, the Bank was unable to seek the approval of Members for appointment of Mr. Ajay Vohra as an Independent Director of the Bank in the said AGM. However, the disclosure with respect to his independence from the management of the Bank was made in the Notice for the 10th AGM sent to Members.

In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for reappointment on passing of a special resolution by the Company for a further period of upto five years. Further, in terms of Section 10A(2A) of the Banking Regulation Act, 1949, no Director of a banking company, other than its Chairman or Wholetime Director, by whatever name called, shall hold office continuously for a period exceeding eight years. In view of the above provisions and the fact that Mr. Ajay Vohra held office since April 29, 2008, the Board proposes his appointment as an Independent Director of the Bank, not liable to retire by rotation, for a period from April 1, 2015 upto April 28, 2016, as first term, for the approval of Members.

Mr. Ajay Vohra's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, in particular, on account of Mr. Ajay Vohra having the requisite experience / expertise required under Section 10A (2) of the Banking Regulation Act, 1949. *(For detailed experience statement, please refer the enclosed profile of Mr. Ajay Vohra)*

The detailed profile of Mr. Ajay Vohra, Directorship and Committee position held by him in other Companies is included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

Your Directors find that his continued association on the Board of the Bank would immensely benefit the Bank and hence recommend the Resolution for the approval of the Members as an Ordinary resolution set forth in Item No. 5 of this Notice.

Save and except Mr. Ajay Vohra, none of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the above Resolution.

Item No. 6

Mr. Diwan Arun Nanda (DIN- 00034744) was appointed as a Director liable to retire by rotation under Companies Act, 1956 by the Members of the Bank at the Annual General Meeting held on June 8, 2013. Further, in terms of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by Mr. Diwan Arun Nanda that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Equity Listing Agreement, and the Board is of opinion that he fulfills the conditions specified therein and is independent of the management. Furthermore, the Board based on the performance evaluation of Mr. Diwan Arun Nanda has recommended his appointment as Independent Director of the Bank, not liable to retire by rotation, for a period of five years, effective from April 1, 2015 to the Members for approval.

Further, Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2014 dated June 9, 2014 has clarified that if it is intended to appoint the existing Independent Directors under Companies Act, 2013, such appointment shall be made expressly under the Section 149(10)/(11) read with Schedule IV of the Act within one year from April 1, 2014, subject to compliance with eligibility and other prescribed conditions. As the said Circular was issued few days before the 10th AGM of the Bank held on June 14, 2014 and the notice for the same was already dispatched by the Bank by then, the Bank was unable to seek the approval of Members for appointment of Mr. Diwan Arun Nanda as an Independent Director of the Bank in the said AGM. However, the disclosure with respect to his independence from the management of the Bank was made in the Notice for the 10th AGM sent to Members.

In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for reappointment on passing of a special resolution by the Company for a further period of upto five years. Further, in terms of Section 10A(2A) of the Banking Regulation Act, 1949, no Director of a banking company, other than its Chairman or Wholetime Director, by whatever name called, shall hold office continuously for a period exceeding eight years. Further, RBI vide Circular on "Fit and Proper" norm for Independent / Non-Executive Directors has advised the private sector banks that the Independent Director to be nominated for appointment/reappointment in the Board, should be between 35 to 70 years of age. As Mr. Diwan Arun Nanda has already crossed the age of 70 years, the Bank had sought a formal view from the RBI on his continuing on the Board after completion of 70 years of age. RBI vide letter No.DBR. Appt. No. 13056/29.47.001/2013-14 dated March 4, 2015 had given their concurrence for his continuation on the Board as Non-Executive Director of the Bank till October 2016. In view of the above provisions and the fact that Mr. Diwan Arun Nanda held office for only three years since his initial appointment, the proposal for his appointment, as first term, as an Independent Director, not liable to retire by rotation, for a period of five years, effective from April 1, 2015 has been put up for the approval of Members subject to approval of RBI for his continuation as Independent Director on the Board beyond October 22, 2016.

Mr. Diwan Arun Nanda's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, in particular, on account of Mr. Diwan Arun Nanda having the requisite experience / expertise required under Section 10A (2) of the Banking Regulation Act, 1949. *(For detailed experience statement, please refer the enclosed profile)*

The detailed profile of Mr. Diwan Arun Nanda, Directorship and Committee position held by him in other Companies is included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

Accordingly, your Directors find that his continued association on the Board would be highly beneficial to the Bank and hence recommend the Resolution for the approval of the Members as an Ordinary resolution set forth in Item No. 6 of this Notice.

Save and except Mr. Diwan Arun Nanda, none of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the above Resolution.

Item Nos. 7 & 8

The Board of Directors at their meeting held on July 23, 2014 based on the recommendation of Board Remuneration & Human Capital Management Committee (now renamed as "Nomination & Remuneration Committee"), had approved the revision in remuneration of Mr. Rana Kapoor, Managing Director & CEO with effect from April 1, 2014. The revision in remuneration was subject to approval of the Reserve Bank of India and Members of the Bank. Subsequently, the Bank had made application to RBI seeking approval for the proposed revision in remuneration of Mr. Rana Kapoor, Managing

Director & CEO effective from April 1, 2014 which has been approved by RBI, vide their letter No. DBR.Appt.No. 9603/29.47.001/2014-15 dated December 29, 2014.

The detail of the remuneration of the MD & CEO as approved by RBI effective from April 1, 2014, along with the remuneration paid to the MD & CEO during the FY 2013-14, as approved by RBI, is provided below :-

(Amount in ₹) (per annum)

Particulars	Remuneration to MD & CEO	
	FY 2013-14	FY 2014-15
Basic Salary (Annual)	13,104,840/-	15,725,808/-
Dearness allowances	6,101,656/-	7,321,987/-
Other allowance	2,311,154/-	2,773,385/-
TOTAL	**21,517,650/-**	**25,821,180/-**
Perquisite		
Bank furnished and maintained accommodation	Actual	Actual
Free use of two Bank's car with driver for official & private purposes	Actual	Actual
Provident Fund	1,572,581/-	1,887,097/-
Gratuity	As per Bank's Policy	As per Bank's Policy
Pension	1,310,484/-	1,572,581/-
Traveling and Halting Allowances	-	-
Other benefits, if any -		
(i) Gas, Electricity & Water	Actual	Actual
(ii) Medical	Actual	Actual
(iii) Residence Telephone	2 Telephones	2 Telephones
(iv) Medical Insurance	As per Bank's Policy	As per Bank's Policy
(v) Life Insurance/ Personal Accident Insurance	As per Bank's Policy	As per Bank's Policy
(vi) Club Membership	2 clubs	2 clubs
Leave Fare Concession	675,000/-	810,000/-
Bonus	*8,607,060/-	As may be decided by the Board of Directors, subject to approval of RBI

** as approved by the RBI along with the remuneration of MD & CEO effective from April 1, 2014.*

The details of remuneration paid to Managing Director & CEO, as required under Section 92(3) of the Companies Act 2013 and rule thereunder, during the FY 2014-15 has also been provided in the Directors' Report for the information of the Members.

Mr. Rana Kapoor has been serving as the Managing Director & CEO of the Bank since September 1, 2004, with the approval of the Reserve Bank of India (RBI) and Members, from time to time. His current tenure as approved by the RBI and Members of the Bank is valid upto August 31, 2015.

Under Mr. Rana Kapoor's leadership, the Bank has been progressively established as a high quality, state-of-the-art private Indian Bank catering to the "Future Industries of India". The Bank is steadily evolving with exemplary business and financial outcomes as evidenced in the financial results since inception, maintaining satisfactory performance across all business and financial parameters in the difficult period of the Indian economy in the last five years. The Bank has expanded its branch network to 630 branches over 375 locations across India, 1,190 plus ATMs and 2 national processing centers. The Bank has received significant national and global recognition and accolades including being recognized amongst the Top and the Fastest Growing Bank in various Indian Banking League Tables by prestigious media houses and global advisory firms.

Considering the highly satisfactory performance achieved by the Bank till date under Mr. Rana Kapoor's leadership, the Board of Directors at their meeting held on April 22, 2015 based on the recommendation of Nomination & Remuneration Committee (N&RC), have decided to recommend his re-appointment including terms of appointment as Managing Director & CEO with effect from September 1, 2015 for a period of 3 years to the Members of the Bank for approval, subject to approval of the Reserve Bank of India.

While the current tenure of appointment of Managing Director & CEO is upto August 31, 2015, the Board has decided to recommend his re-appointment well in advance and also extend the term, in order to bring about certainty to the Members on the leadership of the Bank, which would in turn promote good corporate governance. The early initiation of the process of re-appointment would also enable the Bank to seek timely approvals from the regulators for completion of the process of re-appointment and implement its long term growth plans as well.

Further, based on the recommendation of the N&RC and in line with the Compensation Policy of the Bank, the Board has recommended the following remuneration to MD & CEO for the financial year beginning April 1, 2015, with an

annual increment of up to a maximum of 20% for every year thereafter during the currency of his proposed term, to the Members for approval which is subject to approval of RBI:

Particulars	Amount in ₹ per annum
Basic Salary	18,870,970
Dearness allowances	8,786,384
Other allowances	3,328,062
TOTAL	**30,985,416**

Mr. Rana Kapoor shall also be entitled to an annual performance bonus as may be determined by the Board / Nomination & Remuneration Committee of the Board in terms of the Compensation Policy of the Bank and in terms of the Guidelines of the Reserve Bank of India on the Compensation of Managing Directors / Whole Time Directors, etc. and as approved by Reserve Bank of India.

Mr. Rana Kapoor shall continue to be eligible for perquisites (evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Bank) such as the benefit of the Bank's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with RBI approvals.

Further, Mr. Rana Kapoor's appointment is in compliance with the provisions of Section 10B and other applicable provisions of the Banking Regulation Act, 1949, in particular, on account of Mr. Rana Kapoor having the requisite experience / expertise required under Section 10B and other applicable provisions of the Banking Regulation Act, 1949. *(For detailed experience statement please refer to the enclosed profile)*.

Accordingly, your Directors recommend the passing of Resolution(s), as set forth in Item No. 7 & 8 of this Notice, for approval by the Members of the Bank.

Save and except Mr. Rana Kapoor, none of the Directors or Key Managerial Personnel or their relatives, in any way, are concerned or interested in the above Resolutions.

Item No. 9

The Bank has achieved significant growth in all its financial parameters during the last several years. In order to achieve this growth, the Bank has periodically raised capital, the last instance being in June 2014 when the Bank raised equity capital of ₹ 2,942.08 Crores by way of Qualified Institutions Placement (QIP). The Tier I capital adequacy ratio as on March 31, 2015 is 11.5%. Given the significant potential of capturing market share, it is important that the Bank has adequate capital to support its growth plans. Further, the Bank's capital requirements also take into account the increase in capital under Basel III in a phased manner over the next few years.

Accordingly, the Bank proposes to raise additional capital aggregating upto USD 1 billion 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 foreign currency convertible bonds or issue of fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments or securities convertible into Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency or a Public Issue or any other methods provided however that the aggregate amount to be raised by issue of Securities as above 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. The issue of securities may be consummated in one or more tranches at such time or times at such price as the Board may in its absolute discretion decide, subject, however, to the ICDR Regulations and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, and other applicable guidelines, notifications, rules and regulations.

The Board may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Bank.

The pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutions placement shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the ICDR Regulations.

The Bank may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board or the Committee of the Board decides to open the qualified institutions placement for subscription.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted would be listed on one or more stock exchanges in India and in case of ADR/GDR internationally. The offer/ issue / allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Listing Agreements.

Section 62(1)(a) of the Companies Act, 2013 provides, *inter alia*, that when it is proposed to increase the issued capital of a Company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such Company in the manner laid down therein unless the Members by way of a special resolution in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Bank to persons other than existing Members of the Bank, consent of the Members is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Agreements executed by the Bank with the stock exchanges where the Equity Shares of the Bank are listed.

This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Equity Shares to the investors who may or may not be the existing Members of the Bank.

Your Directors, therefore, recommend the special resolution, as set forth in Item No. 9 of this Notice, for approval by the Members of the Bank.

The Directors and Key Managerial Personnel of the Bank and relatives thereof may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued / allotted to them or to the companies in which they are director or member. Save as aforesaid, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

Item No. 10

In terms of Section 180(1)(c) of the Companies Act, 2013, borrowings by the Company (apart from the deposits accepted in the ordinary course of business by the Company, temporary loans repayable on demand or within six months from the date of the loan, and temporary loans, if any, obtained from the Company's bankers, other than loans raised for the purpose of financing expenditure of a capital nature), in excess of the paid-up capital of the Company and its free reserves, require the approval of the Members by way of special resolution.

The Members of the Bank by way of Postal Ballot on November 8, 2013 had approved the borrowing limits not exceeding ₹ 30,000 Crores (Rupees Thirty Thousand Crores) under Section 180(1)(c) of the Companies Act, 2013.

Considering the substantial growth in business and operations of the Bank, opportunity to raise attractive borrowings as per the recent guidelines of the Reserve Bank of India on Issue of Long Term Bonds by Banks for financing of Infrastructure and Affordable Housing, relaxation in Basel III guidelines on limit of Tier II capital to be considered for Capital Fund purpose, your approval is being sought to increase the borrowing limits from ₹ 30,000 Crores (Rupees Thirty Thousand Crores) to ₹ 50,000 Crores (Rupees Fifty Thousand Crores). Further, since March 31, 2014, the Bank's operations have grown from an asset base of ₹ 109,016 Crores as at March 31, 2014 to ₹ 136,170 Crores as at March 31, 2015 and total shareholders' funds have increased from ₹ 7,121 Crores as at March 31, 2014 to ₹ 11,680 Crores as at March 31, 2015.

Further, the approval is being sought for ₹ 10,000 Crores of borrowing/raising funds in Indian /foreign currency by issue of debt securities by the Bank in one or more tranches in item No. 11 of this Notice which will be within the overall borrowing limits of the Bank as proposed hereby and as may be approved by the Members, from time to time.

Your Directors, therefore, recommend the special resolution, as set forth in Item No. 10 of this Notice, for approval by the Members of the Bank.

None of the Directors or Key Managerial Personnel and their relatives are, in any way, concerned or interested in this resolution.

Item No. 11

Your Bank has been borrowing funds to meet the business requirements within the limits approved by you by way of issuance of various debt securities (bonds/ debentures) as permitted by Reserve Bank of India ("**RBI**") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or invitations / subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Company passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year.

The Bank has already obtained the approval of Members by way of Postal Ballot on January 17, 2015 for borrowing/ raising funds by issue of debt securities including but not limited to non-convertible debentures, bonds *(including bonds forming part of Tier I/ Tier II Capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time)*, pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹ 8,000 Crores (Rupees Eight Thousand Crores Only), in one or more tranches and such approval is valid for a period of one year i.e. upto January 16, 2016. Pursuant to the said approval, the Bank has raised an amount of ₹ 1,000 Crores (Rupees One Thousand Crores Only) by way of issue of Senior Unsecured Redeemable Long Term Bonds in the nature of Debentures. The Bank would further, at appropriate times, raise the funds by way of issue of debt securities, under the above approval of Members over a period of time which may go beyond one year as approved by the Members.

The current approval of Members is valid upto January 16, 2016. In order to facilitate the raising of funds by way of issue of debt securities, it would be necessary to have the approval of Members without interruption. Therefore, in order to avoid reaching out to the Members by way of Postal Ballot between the AGMs and the costs relating thereto, it would be appropriate to have the Members' approval in this AGM.

Further, considering the attractive features of the revised guidelines issued by RBI on issue of long term bonds / Basel III Tier I / Tier II bonds and the fact that these bonds will also assist the Bank in reducing asset-liability mismatches, the Board of Directors has proposed to obtain the consent of the Members of the Bank for borrowing/ raising funds in Indian / foreign currency by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹ 10,000 Crores (Rupees Ten Thousand Crores Only), in one or more tranches in domestic and /or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. This would form part of the overall borrowing limits under Section 180(1)(c) of the Companies Act, 2013 as mentioned above which is sought to be enhanced to ₹ 50,000 Crores (Rupees Fifty Thousand Crores). The Resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of this resolution.

The pricing of the debt securities referred above depends primarily upon the rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and investor regulations which enable investments in such

instruments. Further, debt securities would be issued for cash either at par or premium or at discount to the face value depending upon the prevailing market conditions, as permitted under the Laws.

Accordingly, the approval of Members is being sought by way of special resolution as set out at in Item No. 11 of this Notice for borrowing/raising funds in Indian / foreign currency by issue of debt securities on private placement basis.

Your Directors, therefore, recommend the special resolution, as set forth in Item No. 11 of this Notice, for approval by the Members of the Bank.

None of the Directors or Key Managerial Personnel and their relatives are, in any way, concerned or interested in this resolution.

Item No. 12

Pursuant to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (**"FEMA 2000"**) and the 'Consolidated FDI Policy' (issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India) (**"FDI Policy"**), foreign investment of upto 74% of the paid-up share capital is permitted in private sector bank, such that 49% is under the automatic route and beyond 49% under the approval route. Further, under FEMA 2000 and FDI Policy, the total holdings of all Foreign Portfolio Investors (**"FPIs"**) and Foreign Institutional Investors (**"FIIs"**) registered with the Securities and Exchange Board of India (**"SEBI"**), including their sub-accounts is not to exceed 24% of the paid-up share capital of the Bank. However, this limit can be increased to 49% of the paid-up share capital of the Bank (which is the permissible limit) after approval by the Members of the Bank by way of a special resolution and intimation to the Reserve Bank of India. In this regard, the Board of Directors of the Bank, pursuant to their resolution dated October 10, 2005 and the Members, pursuant to a special resolution dated July 24, 2006, have approved the increase in FII holding to 49% of the paid-up equity share capital of the Bank.

The Union Budget for 2015–2016 has announced that distinction between different types of foreign investments, especially between foreign portfolio investments and foreign direct investments to be done away with and replaced with composite cap.

While pursuant to this announcement, the amendments to applicable laws and the increased applicable cap for investment by FPIs/FIIs notification is awaited, however so as to enable the Members of your Bank to avail the significant benefits of the increased limit at the earliest as soon as the relevant amendments are notified by the Government, your Bank has proposed this resolution for your approval. Upon amendment to the relevant laws increasing the permissible limit of FPI/FII limits, pursuant to your approval of this resolution, and subject to applicable laws and regulations or any conditions specified by the applicable regulatory authorities, including the Reserve Bank of India, your Board of Directors would record the increased limit and carry out related formalities, so as to enable the Members of your Bank to avail the benefits of the increased limit in a timely manner.

Your Directors, therefore, recommend the special resolution, as set forth in Item No. 12 of this Notice, for approval by the Members of the Bank.

None of the Directors or Key Managerial Personnel of the Bank or their relatives is in anyway interested or concerned in the above resolution, except to the extent of the equity shares of the Bank held by him/her or their relatives.

By Order of the Board of Directors

Place: Mumbai
Dated: April 22, 2015

Shivanand R. Shettigar
Company Secretary

Profile of Directors being appointed/ re-appointed as required under Clause 49 of the Listing Agreement, in the order of the items mentioned in the Notice:

Mr. M. R. Srinivasan

Mr. M. R. Srinivasan, aged 71 years, holds B.Com from Madras University, B.GL from Mumbai University and CAIIB from Indian Institute of Bankers. He has 35 years of experience with Reserve Bank of India and served in various roles. He was the Chief General Manager in-charge of Department of Banking Operations & Development (RBI). He has also acted as Executive Director and Banking Advisor of IDBI and was also acted as IDBI nominee director in IDBI Bank Limited and SPIC Limited. He has also associated with multilateral organizations like WTO, IMF, BIS and World Bank in their various programs. He has been on the Board of the Bank since October 23, 2012 and as the Chairman of the Board from June 27, 2013 till June 26, 2014, as approved by the Reserve Bank of India.

As on April 22, 2015, Mr. M. R. Srinivasan is the Chairman of Risk Monitoring Committee and Board Credit Committee and member of Audit Committee and Capital Raising Committee.

As on March 31, 2015, Mr. M. R. Srinivasan did not hold any shares of the Bank. Apart from YES BANK Limited, he does not hold any other Directorships.

Mr. Ajay Vohra

Mr. Ajay Vohra, aged 54 years, is a designated Senior Advocate by the Delhi High Court and was Ex-Managing Partner of Vaish Associates, is a qualified Chartered Accountant and has been practicing since last 30 years in the area of domestic and international tax and is a leading arguing counsel before Tax Tribunals, High Courts and the Supreme Court.

He had been the past Chairman of International Fiscal Association – India Branch, past Chairman of Direct Taxes Committee of PHD Chamber of Commerce and Industry, Vice Chair of the Tax Law Committee of the International Pacific Bar Association and Member of Board of Directors / Regional Coordinator for Asia-Pacific Region, of the World Law Group.

Mr. Vohra is also actively involved in the advisory practice relating to M & A, international tax and transfer pricing. In his spare time, he contributes articles in various journals and addressing seminars nationally and internationally.

Mr. Vohra has been rated as one of the "most highly-acclaimed legal experts in the Asia-Pacific region" in the field of Taxation by Asialaw Leading Lawyers Guide for each of the years 2006 to 2014. The Tax Director's Handbook (supported by KPMG) highly recommends "Mr. Ajay Vohra's tax team for complex direct tax issues".

As on April 22, 2015, he is the Chairman of the Audit Committee and Member of Risk Monitoring Committee and Fraud Monitoring Committee.

As on March 31, 2015, Mr. Ajay Vohra did not hold any shares of the Bank. He was also a Member of Vaish Associates Public Welfare Trust. Details of other Directorships are given hereunder:

Sr. No	Name of the other Companies in which Directorship was held
1	HCL Infosystems Limited
2	HCL Holdings Private Limited, Mauritius

Mr. Diwan Arun Nanda

Mr. Diwan Arun Nanda, aged 71 years, is the Founder Chairman and Managing Director of Rediffusion-Y&R and an industry veteran with over 40 years experience in Marketing, Finance, Communication and Advertising.

Mr. Nanda is from the first batch of graduates (1964-1966) of the Indian Institute of Management, Ahmedabad and was awarded a Gold Medal along with Dr. C. K. Prahalad.

Soon thereafter, he joined Hindustan Lever Ltd. in 1966 as a Management Trainee in Marketing. Post his training in Sales, he started the Promotions Department at the Marketing HQ and then moved into Brand Marketing. There he worked on helping shape iconic brands like Surf, Rin, Lux, Rexona, Lifebuoy and Liril. He left Hindustan Lever Ltd. in June 1972 after a 6 year stint.

In 1973, Mr. Nanda founded Rediffusion, a creative communication agency that fundamentally re-imagined the rules of advertising in India. Today, Rediffusion-Y&R is amongst the top advertising agencies in the country, with a nationwide presence and also comprising group companies like Everest Brand Solutions, Rediffusion-Wunderman, Sudler Hennessey and Rediffusion-Y&R (Sri Lanka).

Mr. Nanda has been felicitated with the "Distinguished Alumni Award" by his Alma Mater-Loyola College, Chennai, and also by IIM-Ahmedabad. He was a recipient

of the Government of India Merit Scholarship. He has been a Judge at the Cannes Film Festival, Leader of the Indian delegation to the Asian Advertising Congress at Tokyo in 1993, and President of the Advertising Agencies Association of India during the years 1993-1995 and 1999-2000. For his outstanding contribution to Indian advertising, Mr. Nanda was awarded the AAAI-Premnarayen Award.

Mr. Nanda's achievements are not only limited to marketing and advertising. Between 1983 and 1991, Mr. Nanda was advisor to the late Mr. Rajiv Gandhi. He has also been a Member of the Jawaharlal Nehru Centenary Committee (a part of the Cabinet Secretariat of the Government of India).

In addition, Mr. Nanda serves on the Boards of several national and multinational companies.

As on April 22, 2015, Mr. Diwan Arun Nanda is a Chairman of Service Excellence, Branding and Marketing Committee and Stakeholders Relationship Committee and member of Capital Raising Committee, IT Strategy Committee and Corporate Social Responsibility Committee.

As on March 31, 2015, Mr. Diwan Arun Nanda did not hold any shares of the Bank. Details of his other Directorships are given hereunder:

Sr. No	Name of the other Companies in which Directorship was held
1	Rediffusion Holdings Private Limited
2	Rediffusion Dentsu Young and Rubicam Private Limited
3	Rediff. Com India Limited
4	Arion Horse Company Private Limited
5	Wunderman India Private Limited
6	Everest Brand Solutions Private Limited
7	Showdiff Worldwide Private Limited
8	Oriental Hotels Limited
9.	Rediffusion – DY&R Private Limited, Sri Lanka

Mr. Rana Kapoor

Mr. Rana Kapoor, aged 57 years, is the Managing Director & CEO of YES BANK. As a professional entrepreneur, since 2003, he is progressively establishing a high quality, state-of-the-art private Indian Bank with a vision of "Building the Best Quality Bank of the World in India" by 2020. Under his leadership, YES BANK has steadily evolved as the "Professionals' Bank of India" with exemplary business and financial outcomes as evidenced in the financial results since inception, with highest RoA/RoE, and the best asset quality amongst leading Public and Private Banks in India.

Mr. Rana Kapoor received an Honorary Fellowship from All India Management Association (AIMA), Doctorate in Science (Honoris Causa) from G.B. Pant University of Agriculture & Technology, India's foremost and oldest Agri University, for his contribution to the Food & Agribusiness sector in India. He holds an MBA degree from Rutgers' University in New Jersey, U.S.A. (1980), and a Bachelor's degree in Economics (Honours) from the University of Delhi (1977). He has also received the prestigious President's Medal from Rutgers University.

In a span of 10 years, YES BANK has received significant national and global recognitions and accolades including the prestigious IMC RBNQA Business Excellence Award, 2013, Best Midsized Bank for 2013, 2012, 2010, 2009 & 2008 in the Business Today-KPMG Best Banks Annual Survey. YES BANK was awarded the Best Bank (Mid-Size) by Businessworld and adjudged Best Managed Bank in India by the Asian Banker (2011-2013), Jakarta, 2013. YES BANK received the Rank 1 Sustainable Bank of the Year (Asia/Pacific) award at the FT/IFC Sustainable Finance Awards 2012 and 2011, London and was included as a Foundation Member of the World Economic Forum (WEF), Geneva.

Mr. Rana Kapoor recently received the 'Excellence in Leadership' Award by Mahratta Chamber of Commerce, Industries & Agriculture and "Banker of the Year" award at The SKOCH Financial Inclusion and Deepening Awards, 2014 and had earlier received The Asian Banker CEO Leadership Achievement Award for India, 2013. He has also received the 2013 Godfrey Phillips 'National Special Social Award' for actively driving the vision of Responsible Banking and the Distinguished Entrepreneurship Award at the PHD Chamber Awards for Excellence in 2012 and 2007. He was acknowledged as the Best Indian Banker (Mid Size) at The Sunday Standard Best Banker's Awards consecutively in 2012 and 2013, Best Banker Award at the Rajiv Gandhi Excellence Awards in 2013, BS Banker of the Year 2011 by Business Standard, and received the Entrepreneur of the Year award at the Asia Pacific Entrepreneurship Awards 2011. He was conferred The Bombay Management Association 'Entrepreneurial Banker of the Decade' award and was ranked the 2nd Most Valuable Indian CEO of the Year (Large-sized category) by Businessworld Magazine in November 2011. Mr. Rana Kapoor received the Indian Business Leader

of the Year award at the FICCI-Horasis Global Indian Business Meeting 2010 in Spain, and was awarded the Start-up Entrepreneur of the Year 2005 at the Ernst & Young Entrepreneur of the Year Awards.

Prior to establishing YES BANK, Mr. Rana Kapoor was CEO & Managing Director, and main Managing Partner of Rabo India Finance (RIF) Pvt. Ltd. (a corporate finance and investment banking organization). He successfully spearheaded RIF as a foreign joint venture financial services organization in partnership with Rabobank (AAA rated) in India and assiduously built RIF as a Professional Entrepreneur from 1998-2003. Thereafter he sold his shareholdings to Rabobank, Netherlands, in early 2003.

Prior to starting Rabo India, he was the General Manager & Country Head: ANZ Grindlays' Investment Bank (ANZIB, from 1996-98). He spent 15 years at Bank of America (1980-1995), where he last headed the Bank's Wholesale Banking businesses and held several positions of increasing responsibility, including assignments in Asian countries. He was presented the **Eagle Pin** by the Chairman of Bank of America in 1990, the highest professional recognition for consistent performance excellence at Bank of America, amongst several other enterprising achievements.

Mr. Rana Kapoor is a member of the following:--

- ✓ President, ASSOCHAM
- ✓ Ex-deputy Chairman, Indian Banks' Association (IBA) (2011-12)
  - ✓ Honorary Secretary, 2010-11
  - ✓ Member, Managing Committee
- ✓ Member, Government of India's Board of Trade
- ✓ Member, Board of Governors, Indian Institute of Corporate Affairs (IICA), Ministry of Corporate Affairs, Government of India.
- ✓ Member – Founders Circle, Brookings Institution
- ✓ Member, Governing Council, University of Pennsylvania Institute for the Advanced Study of India (UPIASI)
- ✓ President, FICCI Maharashtra State Council (2010-11)
- ✓ President, The Council of EU Chambers of Commerce in India (2009 – 10)
- ✓ Member, World Presidents' Organization (WPO/YPO)
- ✓ Member, Chief Executives' Organization (CEO)

For the reasons stated above, Mr. Rana Kapoor has the requisite experience from a perspective of Section 10B and other relevant sections of the Banking Regulation Act, 1949.

As on April 22, 2015, Mr. Rana Kapoor was the Chairman of Fraud Monitoring Committee and Capital Raising Committee and member of Risk Monitoring Committee, Board Credit Committee, Corporate Social Responsibility Committee and Service Excellence, Branding and Marketing Committee.

As on March 31, 2015, Mr. Rana Kapoor was holding 20,000,000 shares of the Bank and has ownership with his family in Yes Capital (India) Private Limited and Morgan Credits Private Limited with aggregate shareholding of 29,175,000 shares in the Bank. Details of his other Directorships are given hereunder:

Sr. No	Name of the other Companies in which Directorship was held
1	The Associated Chambers of Commerce and Industry of India (a Section 8 Company)
2	YES Securities (India) Limited
3.	Climate Change Association India (a Section 8 Company)

By Order of the Board of Directors

Place: Mumbai
Dated: April 22, 2015

Shivanand R. Shettigar
Company Secretary

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

YES BANK Limited

CIN: L65190MH2003PLC143249

Regd. & Corporate Office: 9th Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India.

Tel.: +91(22)3366 9000 Fax.: +91(22)2421 4518 Website: www.yesbank.in Email.: shareholders@yesbank.in

Name of the member (s): .....

Registered address:.....

E-mail Id:.....

Folio No/ Client Id:.....

DP ID:.....

I/We, being the member (s) of ..... shares of the above named Bank, hereby appoint

1. Name: ..... Address: .....
   E-mail Id: .....Signature:..... or failing him
2. Name: ..... Address: .....
   E-mail Id: .....Signature:..... or failing him
3. Name: .....Address: .....
   E-mail Id: .....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Bank, to be held on the Saturday, June 6, 2015 at 11.00 A.M. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Optional*	
Ordinary Business:		For	Against
1.	Adoption of standalone and consolidated financial statement for the year ended March 31, 2015		
2.	Approval of dividend on equity shares		
3.	Appoint a Director in place of Mr. M. R. Srinivasan (DIN: 00056617), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Appointment of M/s. S. R. Batliboi & Co. LLP., Chartered Accountants as Auditors and fixation of remuneration thereof		
Special Business:			
5.	Approval for appointment of Mr. Ajay Vohra (DIN- 00012136) as an Independent Director		
6.	Approval for appointment of Mr. Diwan Arun Nanda (DIN- 00034744)) as an Independent Director		
7.	Approval for revision in the remuneration of Mr. Rana Kapoor (DIN- 00320702) as a Managing Director & Chief Executive Officer of the Bank, in terms of the RBI approval, effective from April 1, 2014.		
8.	Approval for re-appointment of Mr. Rana Kapoor (DIN- 00320702) as a Managing Director & Chief Executive Officer of the Bank effective from September 1, 2015 and remuneration effective from April 1, 2015 subject to approval of Reserve Bank of India.		
9.	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		
10.	Approval for increase in the borrowing limits from ₹ 30,000 Crores to ₹ 50,000 Crores		
11.	Approval for borrowing / raising funds in Indian /foreign currency by issue of debt securities upto ₹ 10,000 Crores (the "NCDs") to eligible investors on private placement basis		
12.	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.		

Signed this ..... day of .....2015.

Affix
₹ 1/- Revenue
Stamp Here

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank addressed to the "Company Secretary", not later than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent of the total share capital of the Bank carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

*** it is optional to put a (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.**

YES BANK Limited

CIN: L65190MH2003PLC143249

Regd. & Corporate Office: 9th Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India.

Tel.: +91(22)3366 9000 Fax.: +91(22)2421 4518 Website: www.yesbank.in Email.: shareholders@yesbank.in

ATTENDANCE SLIP

Folio No. ..... DP ID ..... Client ID .....

Name of Member .....

Name of Proxy holder .....

Number of Shares Held .....

I hereby record my presence at the ELEVENTH ANNUAL GENERAL MEETING of the YES BANK Limited held on Saturday, June 6, 2015 at 11.00 A. M., at Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai - 400 018.

_____

Signature of Member/Proxy

Notes:

(1) Members/Proxyholders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

(2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

The instructions and other information relating to remote e-voting are as under:

1. A. In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Bank/Depository Participant(s)]:

   (i) Launch internet browser by typing the URL: https://evoting.karvy.com.

   (ii) Enter the login credentials (i.e. **User ID and Password** mentioned above). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

   (iii) After entering these details appropriately, Click on "LOGIN".

   (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

   (v) You need to login again with the new credentials.

   (vi) On successful login, the system will prompt you to select the "EVENT" i.e., YES Bank Limited.

   (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

   (viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

   (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

   (x) You may then cast your vote by selecting an appropriate option and click on "Submit".

   (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).

(xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: yesbankevoting@karvy.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO." The documents should reach the Scrutinizer and such other person on or before **Friday, June 5, 2015 at 5.00 p.m**

B. In case of Members receiving physical copy of the AGM Notice by Courier [for Members whose email IDs are not registered with the Bank/Depository Participant(s)]:

(i) User ID and initial password as provided above.

(ii) Please follow all steps from Sr.No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. In case a person has become the Member of the Bank after the dispatch of AGM Notice but on or before the cut-off date i.e. Saturday, May 30, 2015 , may write to the Karvy on the email Id varghese1@karvy.com or to **Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: YES Bank Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032**, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.

2. The remote e-voting period commences on **Tuesday, June 2, 2015 at 10:00 A.M. and ends on Friday, June 5, 2015 at 5:00 P.M**. During this period, the Members of the Bank holding shares in physical form or in dematerialized form, as on the cut-off date, being **Saturday, May 30, 2015,** may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not vote by way of Physical Ballot at the AGM.

3. In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com (Karvy's website) or contact **Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: YES Bank Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.**

4. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Bank, subject to the provisions of the Banking Regulation Act, 1949, as amended, as on the cut-off date, being **Saturday, May 30, 2015**.

5. The Board of Directors has appointed **Mr. B. Narasimhan, Company Secretary of M/s B. N. & Associates, Company Secretaries, failing him, Mr. Keyoor Bakshi, Partner, BNP & Associates, Company Secretaries as a Scrutinizer** to scrutinize the e-voting process in a fair and transparent manner.

6. The Members who are entitled to vote but have not exercised their right to vote through remote e-voting may vote at the AGM through Physical Ballot for all businesses specified in the accompanying Notice.

7. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Bank and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by her in writing who shall countersign the same. The Chairperson or a person authorised by her in writing will declare the result of voting forthwith.

8. The Results on resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Bank and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

9. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Bank (www.yesbank.in) and on Service Provider's website (https://evoting.karvy.com) and communication of the same to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

Experience **our Expertise**

YES BANK

Annual Report 2014-15

YES BANK's new Corporate Headquarters - Mumbai, India

Awards & Recognitions

Consistent Performer and Best Asset Quality - Large Sized Banks 2014

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

Fastest Growing & Strongest Large Bank, 2011

Business Today - KPMG Best Banks Annual Survey

Best Private Sector Bank

Money Today - FPCIL Awards 2015 & 2012

Achiever Award for SME Enablement

SKOCH Development Summit & Awards

Order of Merit

SKOCH Financial Inclusion and Deepening Awards 2014

Best Private Sector Bank (Asset Class) 2014

Dun & Bradstreet - Polaris Software Banking Awards

Winner - Payments

Transaction Banking Awards, London, 2014

Best Trade Finance Bank in India - 2015

Best Corporate Trade Finance Deal in India - 2015

Best Cash Management Project in India - 2015

The Enterprise Risk Technology Implementation - 2015

Best Multi-channel Capability & Best Financial Supply Chain - 2011

The Asian Banker Achievement Awards, Hong Kong

Best Co-Branded Program

Best Commercial Card Program

Best Prepaid Card Program

The MasterCard Innovation Awards 2014

Winner for Best ATM Network in Mid Sized Banks category

Special Award for Innovation on Mobile Payments (IMPS)

National Payments Corporation of India 2014

Awarded the Best Performer in Account Growth Rate – Rising Depository Participants

NSDL Star Performers Awards 2014

Pioneering innovation-Incentivizing Customers by Offering Discount Coupons on ATMs at the International Banking Expo 2015

FINNOVITI Awards

Winner - Business Excellence Award - Services Category

IMC RBNQA Awards, 2013

Adjudged World Class Organisation only Indian bank to win this Prestigious Global Award

Chicago, Illinois, USA 2014

Outstanding Sustainable Project Financing, 2014

Outstanding Business Sustainability Achievement, 2013

Karlsruhe Sustainable Finance Awards, Germany

Environment Management Award, 2014

Corporate Social Responsibility, Bangalore, 2013

Global Business Excellence Award, Dubai, 2013

Sustainability Award, London, 2012

Golden Peacock Global Convention

CII National Excellence Practice Competition

Ranked 3rd in Excellence in People Engagement and Satisfaction Practices

CII National Excellence Practice Competition 2014

Asia Trailblazer Awards 2015

Best Initiative in Financial Inclusion

Excellence in Social Media

Asia Trailblazer Awards Singapore, 2015

Awarded High Performance Brand Award

All India Management Association & R K Swamy BBDO 2015

Ranked 2nd best Globally for Innovative Customer engagement through Social Media.

International Best Practice Competition, Abu Dhabi 2014

Recognized as ET Promising Brand

The Economic Times

Promising Brands Award 2015

Best Tourism Friendly Bank Pacific Area Travel Writers Association International Awards

ITB Berlin, 2015

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About Us

At YES BANK, our differentiation begins with a simple word:

'YES'

'Experience our Expertise' is not simply a catchphrase at YES BANK. It is our corporate credo, built on a foundation of trust, reinforced by knowledge, backed by cutting-edge technology, governed by transparency, and commitment to Responsible Banking.

YES BANK, India's fifth largest private sector Bank, is a high quality, customer centric, service driven, private Indian Bank catering to the future businesses of India. Since its inception in 2004, YES BANK has fructified into a 'Full Service Commercial Bank' that has steadily built Corporate and Institutional Banking, Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction Banking, and Wealth Management business lines across the country, and is well-equipped to offer a range of products and services to corporate and retail customers. For a nation on the move after years of sluggish growth, the banking industry has to play a pivotal role to support and sustain this growth for the long-term. We are excited at being able to play our part to India's growth story by virtue of our expertise.

Our aim is to provide a consistent and superior banking experience with simplicity, empathy and totality, and catalyze higher inclusive growth for the nation.

Vision

YES BANK's vision is to become the 'Finest Quality Bank of the World' in India by 2020' having evolved its organizational ethos into the 'Professionals' Bank of India'.

Excellence through Expertise

During the year, we focused on delivering excellence in banking through our expertise.

Key Milestones FY 2014-15

In FY 2014-15, YES BANK Limited achieved multiple milestones across new relationship breakthroughs, optimization of business portfolio and capital raising through a concerted focus on executing our Vision and Strategy.

February 2015: Launched India's first Green Infrastructure bond issue of ₹ 500 Crores plus Greenshoe, which saw overwhelming demand and was closed at ₹ 1,000 Crores. The amount raised will be used to finance Green Infrastructure Projects in Renewable Energy Projects including Solar Power, Wind Power and Biomass Projects. KPMG in India will be providing the Assurance Services annually, on the use of proceeds in line with the Green Bond principles.

January 2015: Teamed up with the Overseas Private Investment Corporation (OPIC), the U.S. Government's Development Finance Institution, by signing a memorandum of understanding to explore OPIC financing of up to USD 220 Million to increase lending to micro, small and medium enterprises (MSMEs) in India. Specifically, USD 100 Million of the financing would be used to support either Micro-SMEs or SMEs in underserved rural and urban markets. U.S based lender Wells Fargo Bank, N.A., will act as sponsor and co-lender to the project.

December 2014: Raised USD 200 Million unsecured loan facility from the Asian Development Bank (ADB). The funds are being used to finance working capital and investment loans targeted towards small farm households and rural women in Self Help Groups (SHGs). ADB will also provide technical assistance for capacity building, improving financial literacy of women borrowers, leveraging YES LEAP program for regional expansion and agriculture value chain integration.

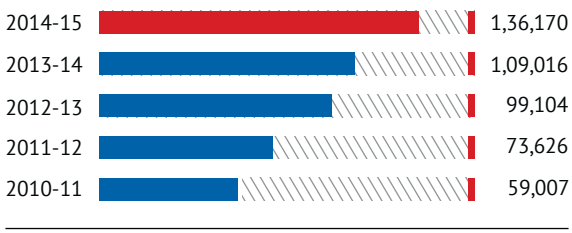
October 2014: Successfully raised USD 422 Million by way of Dual Currency Multi-tenor Syndicated Loan Facility. The said facility shall be utilized for general corporate purposes. The facility has a maturity of 1, 2 and 3 years. The loan has been widely distributed, with commitments being received from 21 banks, representing 14 countries across the US, Europe, Africa, the Middle East, Japan, Taiwan and Australia, with larger commitment coming in the 2 and 3 year tranches.

May 2014: Completed allotment of USD 500 Million for Global Qualified Institutions Placement (Global QIP). The allotment of shares was done across 114 investors at ₹ 550 per share. The issue was oversubscribed over five times, generating an aggregate worldwide demand of USD 2.5 Billion from marquee institutional investors across USA, Europe, Asia and India.

Financial Highlights

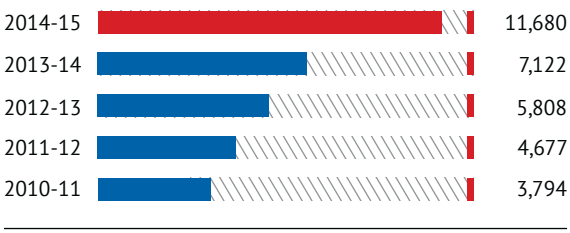
Total Assets

(₹ in Crores)



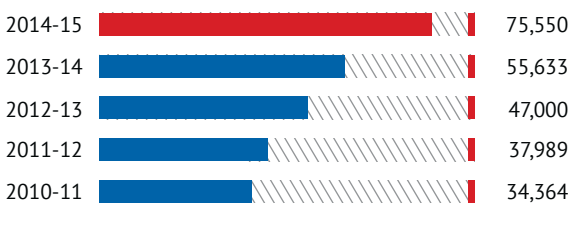
Shareholders Funds

(₹ in Crores)



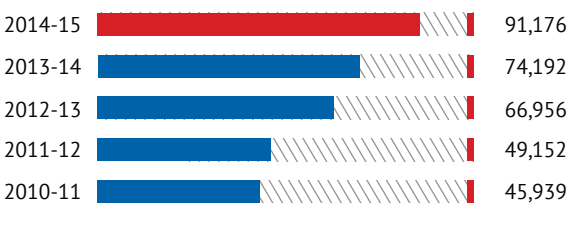
Advances

(₹ in Crores)



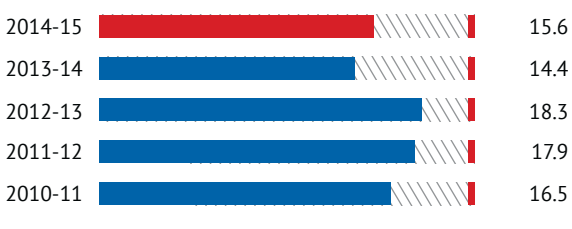
Deposits

(₹ in Crores)



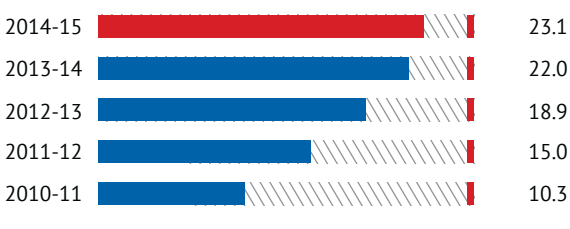
Capital Adequacy Ratio

(%)



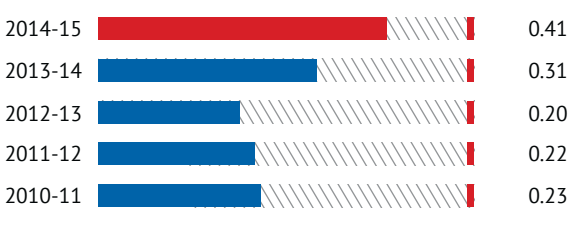
CASA Ratio

(%)



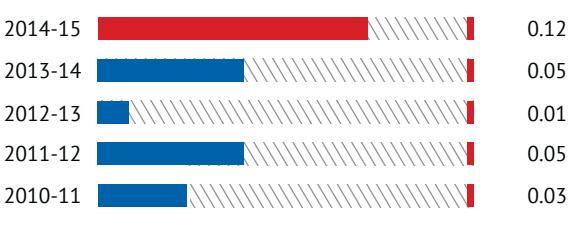
Gross NPA

(%)



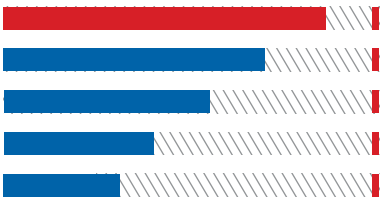
Net NPA

(%)



Net Interest Income

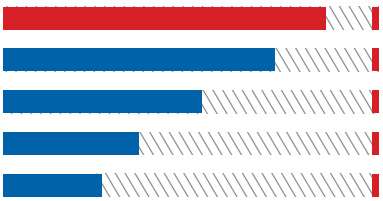
(₹ in Crores)



2014-15	3,488
2013-14	2,716
2012-13	2,219
2011-12	1,616
2010-11	1,247

Non Interest Income

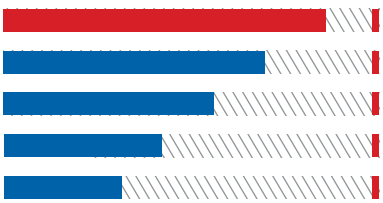
(₹ in Crores)



2014-15	2,046
2013-14	1,722
2012-13	1,257
2011-12	857
2010-11	623

Net Profit

(₹ in Crores)



2014-15	2,005
2013-14	1,618
2012-13	1,301
2011-12	977
2010-11	727

Net Interest Margin

(%)

2014-15	3.2
2013-14	2.9
2012-13	2.9
2011-12	2.8
2010-11	2.9

Return on Annual Average Assets

(%)

2014-15	1.6
2013-14	1.6
2012-13	1.5
2011-12	1.5
2010-11	1.5

Return on Equity

(%)

2014-15	19.0
2013-14	25.0
2012-13	24.8
2011-12	23.1
2010-11	21.1

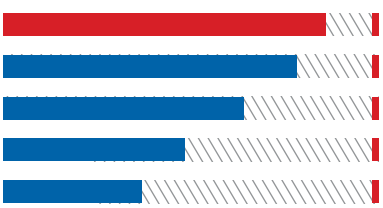
Cost to Income Ratio

(%)

2014-15	41.3
2013-14	39.4
2012-13	38.4
2011-12	37.7
2010-11	36.3

Basic Earnings Per Share

(₹)



2014-15	49.3
2013-14	44.9
2012-13	36.5
2011-12	27.9
2010-11	21.1

Message from the Non-Executive Chairperson

Ms. Radha Singh,
Non Executive Chairperson

We, at YES BANK, believe that good and effective Corporate Governance is critical to achieve the corporate vision and mission of the organization; it is more of an organizational culture going beyond just the adherence to rules and regulations.

In a differentiated global economic backdrop in FY 2014-15, the Indian economy posted an improvement in its growth-inflation dynamics. Spurred by the positive change in sentiment associated with the political majority in May 2014, the global commodity price environment turning benign since July 2014. The government pushing reforms with 'gradual incrementalism', economic growth is poised to accelerate by 50 bps even as retail inflation decelerated by 350 bps during the financial year.

With improvement in domestic macros, the rupee remained largely stable, while money market interest rates declined during FY 2014-15.

The Reserve Bank of India responded to these gradual structural economic improvements by cutting the benchmark repo rate by a cumulative of 50 bps during Q4 FY 2014-15, and also by absorbing surplus net dollar inflows to the extent of USD 41.3 Billion between April-January FY 2014-15.

The Indian Banking industry is poised for growth on the back of improving overall macroeconomic sentiment. Policy initiatives taken to revive infrastructure and manufacturing under the ambit of 'Make in India' will serve to provide a much needed impetus to the Indian economy.

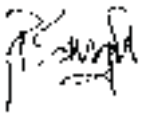
YES BANK has continued on its growth trajectory in FY 2014-15, while ensuring that it remains focussed on robust risk management, and is constantly improving on its superior quality and customer delivery models. This has resulted in a healthy growth across all parameters including non-interest income, stable cost-to-income ratios, branch and ATM footprint and human capital, while maintaining best-in-class asset quality. YES BANK also received recognition across multiple national and international platforms, owing to continued emphasis on the key pillars of Growth, Technology, Trust, Transparency, Innovation, Human Capital and Responsible Banking.

We, at YES BANK, believe that good and effective Corporate Governance is critical to achieve the corporate vision and mission of the organization; it is more of an organizational culture going beyond just the adherence to rules and regulations. The Board of Directors of the Bank comprises personalities who are accomplished, eminent professionals of the highest standing, have proven track records in diverse fields and have been appointed to the Board in line with the statutory provisions under the Banking Regulations Act 1949, Companies Act 2013 and Equity Listing Agreements. The current Board of Directors of the Bank comprises ten Directors, including seven Independent Directors, strengthening the Bank's commitment to governance. The Board of Directors of the Bank have established and maintained a strong ethical environment, and established best-in-class practices within the Indian banking system.

The Board has formulated several policies pursuant to the provisions of the Banking Regulations Act 1949, Companies Act, 2013 and revised Equity Listing Agreement, and has also re-constituted/reorganized the Committees of the Board in terms of the abovementioned laws/regulations.

During the year under review, the Board of Directors have extensively engaged with the top and senior management professionals of the Bank during various committee meetings of the Bank's Board. Such engagements have provided the Board with an opportunity to guide and mentor the Bank's top management and ensure long-term sustenance of the Bank's business strategy, while keeping in mind customer and stakeholder interests.

All steps taken during the year under the overall guidance of the Board of Directors had ensured that YES BANK continued in its defined path of evolving as the 'Professionals' Bank of India'.



Ms. Radha Singh,
Non-Executive Chairperson
YES BANK Limited

Managing Director & CEO's Communiqué

Rana Kapoor,
Managing Director & CEO

YES BANK has also now achieved critical mass and momentum in terms of our state-of-the-art branch network with 631 Branches and 1,194 ATMs across all 29 States and 7 Union Territories of India.

Dear Shareholder,

When I shared my thoughts with you last, steady recovery in the global economy was taking shape with growth impulses gaining momentum in select economies. A lot has changed since the summer of 2014.

Commodity prices saw a sharp correction. Divergent economic performance has led to variance in monetary policy reactions globally. Central banks in many advanced and emerging economies provided monetary stimulus in a generalized environment of global deflation. However, the US proved to be an exception. Improvement in economic growth prompted the Federal Reserve to start preparing the market for an eventual normalization in policy rates through measured communication.

Overall, 2014 ended with unchanged rate of world GDP growth of 3.4%. In 2015, the uneven global recovery is likely to continue with the International Monetary Fund (IMF) expecting world GDP growth to improve marginally to 3.5%.

Building on the macroeconomic mending process that began in late FY 2013-14, the Indian economy has made commendable progress. Strong political mandate coming from the general elections outcome in May 2014 supported business, investor, and consumer sentiment. Thereafter, a supportive global commodity price environment along with gradual improvement in governance resulted in increase in economic output. Led by the manufacturing, finance, and electricity sectors, the government expects GDP growth for FY 2014-15 to come at 7.4% from 6.9% in FY 2013-14.

In FY 2014-15, the CPI based average inflation fell to 6.0% from an average level of 10.0% over a period of six years between FY 2008-09 till FY 2013-14. On external metrics, after correcting to 1.7% of GDP in FY 2013-14, the current account deficit (CAD) is expected to improve towards 1.3% in FY 2014-15 as per the Economic Survey presented in February 2015. In addition, the fiscal deficit is also budgeted to moderate to 3.9% of GDP in FY 2015-16 from 4.1% in FY 2014-15.

Monetary policy has responded to the improving inflation trajectory with the Reserve Bank of India cutting repo rate by a cumulative of 50 bps in Q4 FY 2014-15. The guidance provided by the central bank signals a continuation of the accommodative stance in the near future.

Indian economy's outlook for FY 2015-16 appears optimistic. Confluence of three critical factors – benign commodity price outlook, domestic monetary easing and policy support from the government, is likely to help improve the growth-inflation balance. International rating agency Moody's, upgraded India's sovereign outlook to positive from stable in April 2015.

In FY 2015-16, we expect GDP growth to improve by 80 bps, average CPI inflation to moderate by 50 bps, and CAD to correct by 40 bps. This should open up space for 100 bps of incremental monetary easing during the course of the year.

Given the overall optimism and the fact that the Indian economy is set to receive a major impetus owing to prudent policy reforms, YES BANK is all geared up to capitalize on this momentum with a renewed vigour and enthusiasm, and establish itself as the 'Finest Large Bank' in India. In FY 2014-15, YES BANK took multiple initiatives aimed at readying itself for accelerated growth, with a focus on action and quality to achieve size and scale as a large bank in India.

YES BANK has also now achieved critical mass and momentum in terms of our state-of-the-art branch network with 631 Branches and 1,194 ATMs across all 29 States and 7 Union Territories of India. We have also invested significantly in offering 'Digital Banking' services via various channels, while continuing to ramp up our existing branch network. At YES BANK, we believe that the future of Banking lies in establishing a 'DIGICAL – Digital + Physical' infrastructure, which consists of a fine blend of offline and online channels employing innovation and technology, combined with the effectiveness of human touch points as a means of achieving service excellence.

In FY 2014-15, YES BANK raised over **USD 1.2 Billion** by partnering with marquee global investors who have reposed faith in YES BANK's business model and also in India's resurgence as a leading global economy. On May 30, YES BANK successfully closed a global **USD 500 Million Qualified Institutions Placement** (QIP),

which was oversubscribed five times with a demand of USD 2.5 Billion from investors across USA, UK, Europe and Asia including India.

In October 2014, YES BANK raised a **USD 422 Million** dual currency loan, which received commitment from 21 Banks across USA, Europe, Africa, Middle East, Far East and Australia. Recently, in December, YES BANK received a **USD 200 Million** unsecured loan from the **Asian Development Bank,** which will be used to finance working capital and investment loans targeted towards small farm households and rural women in Self Help Groups (SHGs). In January 2015, YES BANK also signed an MoU of USD 220 Million with OPIC, Overseas Private Investment Corporation, the US Government's Development Finance Institution to increase lending to micro, small and medium enterprises (MSME) in India.

In addition, YES BANK has maintained a prudent, robust balance sheet with best-in-class asset quality throughout the various challenging economic cycles, and has grown steadily to a considerable size. YES BANK's industry leading asset quality is owing to our proactive risk management frameworks and in-depth knowledge of our clients and the sectors that they operate in. A strong balance sheet with minimal asset quality issues will hold us in good stead, as we aim for the next trajectory of growth in the coming decade to achieve large scale in India.

Our ethos of Innovation & Technology has also enabled YES BANK to reinforce our core banking offerings to Corporates across the value chain, where we have developed comprehensive, cutting-edge product solutions tailored to meet the customized requirements of our corporate banking clients. YES BANK's approach of Knowledge Banking continues to find resonance among our corporate clients who have relied on our expertise in various sectors spanning across Agribusiness, Infrastructure, Information Technology, Education, Tourism, Lifesciences, Media & Entertainment, Healthcare and MSMEs.

In terms of our human capital strength, YES BANK has achieved a significant milestone in FY 2014-15 crossing the 10,000 mark and the number of YES BANKers as on March 31, 2015 stood at 10,800. We have now built a strong team of 'Professional Entrepreneurs' backed by robust leadership who are working towards YES BANK's vision, as we evolve our organizational ethos as the 'Professionals' Bank of India'.

Responsible Banking

In the digital age, global boundaries are fast merging, creating a large global village with a 'glocal' behavior and a need to balance growth with social and environmental imperativeness. In this highly 'glocalizing' world, innovation has emerged as a key metric to drive positive triple bottom line impact.

I am pleased to advise you that, in line with its Responsible Banking ethos, YES BANK emerged as a truly 'Glocal' institution and maintained its razor sharp focus on innovation to deliver on its responsibility as a financial institution. Hence, making Responsible Banking the core plank that cuts across functions and delivers sustainable development outcomes at both local and global levels.

YES BANK has been actively involved with protocols established by national and international bodies including UN Global Compact, CDP, India GHG Program and TERI Business Council for Sustainable Development and United Nations Environment Program Finance Initiative (UNEP FI). The Bank has strengthened its relationship with UNEP FI, the global partnership between UNEP and the financial sector, with Ms. Namita Vikas, YES BANK's Chief Sustainability Officer having been elected as the Asia Pacific Chair.

YES BANK continued to be a benchmark institution for triple bottom line accounting and reporting, becoming the first Indian Bank to release a GRI G4 Sustainability Report for FY 2013-14. Being the first banking sector signatory to the UN Global Compact, your Bank's Communication On Progress (COP) continues to be at GC Advanced level, showcasing the highest level of disclosures.

YES BANK launched the Natural Capital Initiative to develop an ecosystem for appropriate regulatory framework and disclosure methodologies for natural capital. YES BANK has also introduced the Natural Capital Olympiad to raise awareness and educate the student community about the importance of natural resources. To promote sustainable finance especially

Natural Capital Accounting, your Bank organized the first Symposium on natural capital.

YES BANK continues to play an active role in promoting sustainability within stakeholders through its flagship stakeholder engagement program, YES COMMUNITY. Your Bank accelerated its unique engagement programmes under YES COMMUNITY, to connect with local communities while utilizing its branches and branch service areas as knowledge-sharing centres for pertinent social and environmental issues. To augment the community impact of ongoing social responsibility projects, YES BANK launched several positive impact initiatives under its YES COMMUNITY umbrella focusing on livelihood security and enhancement, healthcare and social welfare and environment sustainability. Through YES COMMUNITY alone, your Bank impacted over 5 Lakhs lives across the diaspora during the year under review.

YES FOUNDATION, YES BANK's social development arm was launched in 2012 with a vision of building an 'Empowered and Equitable India'. The Foundation's initiative, 'YES! i am the CHANGE' social film making challenge, emerged as the largest social film movement in India, and one of the biggest in the world. In its second edition, over 10,000 teams from all over India submitted 1,729 short films, which were judged by a highly eminent jury. As part of the challenge, over 550 filmmaking workshops and screenings were conducted across India.

The continued focus on Responsible Banking resulted in multiple national and international accolades for YES BANK's sustainability performance, including the Karlsruhe Sustainable Finance Awards, Germany for 'Outstanding Project Financing' and the Bombay Chamber Good Corporate Citizen Award, and the highest score among Indian Banks on the CDP's Carbon Disclosure Leadership Index for India.

Recognition for our Initiatives

In FY 2014-14, YES BANK received significant institutional recognitions, awards and accolades from Indian and global media houses, consulting organizations and thought leadership forums. YES BANK was awarded 'Best Private Sector Bank' at the prestigious FPCIL – Money Today Best Banks Awards 2015. YES BANK was also recognized at the Business Today KPMG India's Best Banks Awards as a Consistent Performer and for Best Asset Quality among Large Sized Banks. This is the 7th consecutive year that YES BANK has been recognized in various categories at the BT KPMG India's Best Banks Awards.

YES BANK also received multiple brand recognitions including 'Most Promising Brand' by The Economic Times and the prestigious 'AIMA RK Swamy High Performance Brand Award'. On the Social Media front, YES BANK received 'Excellence in Social Media' awards at the RBI Asia Trailblazer Awards, while being recognized as 2nd Best Globally for 'Customer Engagement through Social Media' at the International Best Practice Competition in Abu Dhabi.

The Way Forward

India is witnessing an exciting phase of growth and YES BANK is fully geared to accelerate into the next trajectory of growth with confidence and conviction. In our 11th year of operations, as we embark on our collective objective to **GROW YES BANK into a meaningful LARGE bank by 2020**, we are committed to executing our strategic plans by achieving scale, quality driven by relentless action. It's time to think bigger, act faster and leap higher with greater vigour, velocity and enthusiasm towards scaling up the Bank to newer heights.

Our robust financial and business model, supported by a widening national branch presence, an inspired culture of professional entrepreneurship and teamwork, has put us in a strong position to address the needs of our clients and move towards our vision of **'Building the Finest Quality Bank of the World in India by 2020'**.

Thank you.
Sincerely,

Rana Kapoor
Managing Director & CEO

Experience our Expertise in Knowledge Banking

Our expertise powers the diverse aspirations of customers in the banking landscape. We believe great ideas can sometimes take flight, only if supported by simple and sensible banking solutions. Therefore, we follow a unique knowledge-based approach that provides customers with well-informed and customized solutions.

We have identified specific growth sectors of the Indian economy and developed customized solutions for industry verticals. Our Knowledge Bankers are industry experts and offer invaluable and in-depth insights into customers' businesses, thus helping them develop great ideas and nurture them to fruition at every stage in the lifecycle of the Company.

YES BANK has institutionalized dedicated knowledge teams focused on Food & Agri Business Research Management (FARM), Life Sciences and Information Technology (LSIT), Infrastructure, Tourism, Media & Entertainment, Renewable Energy and Education & Social Infrastructure, among others.

We cherish the trust of our customers and aim to create the best possible customer experience by applying our global values, wherever we operate.

YES BANK's Knowledge Banking expertise was recognized by the Ministry of New & Renewable Energy and the Bank was appointed as the sole Knowledge Partner to the 1st Renewable Energy Global Investment Promotion Meet & Expo (RE-INVEST)

Experience the Finest DIGICAL Experience

The Indian customer is now globally integrated more than ever before. The customer expects the highest standards of service quality. The natural consequence of such a scenario is that we need to constantly be at the vanguard of banking excellence, so that those we serve get the best solutions, wherever they are. We believe that a fine blend of Digital & Physical (DIGICAL) customer service is the way ahead.

Our state-of-the-art branches which now cover each of the 29 States and 7 Union Territories in India, have adopted international best practices, top-tier standards of service quality and operational excellence, and offer comprehensive banking and financial solutions to all our valued customers. Today, we have a widespread branch network of over 630 branches across 375 cities, with 1,190+ ATMs and two National Operating Centres in Mumbai and Gurgaon.

As a new-age private sector bank, we can feel the pulse of our customers. Therefore, we have embraced digital banking by offering banking services through the internet, mobiles and ATMs.

We have leveraged our social media presence to provide various touch points to our customers to engage with the brand at their convenience. We provide our customers with a rich offering of value-adding content, key product information, contests, and also utilize this platform to increase financial literacy.

YES BANK customers are exposed to the finest banking experience, through technology tools and excellent customer services provided by highly professional and trained YES BANKers.

Our branch network has now reached a critical size and maturity level resulting in CASA ratio improving by 110 bps in FY 2014-15 to 23.1% on y-o-y basis.

Enhancing Team Expertise

At YES BANK, our expertise is only as rich and varied as our Team. We invest in our people and help them excel. As the 'Professionals' Bank of India', our objective is to encourage our people to push their boundaries beyond their comfort zones, embrace challenges and drive their professional and personal growth. This is aligned to our ethos of professional entrepreneurship, reflected in the 'Owner-Manager-Partner' philosophy.

We have evolved a distinctive and consistent 'YES BANK' culture across our rapidly expanding pan-India branch footprint. The Indian economy and resultantly the banking sector has faced multiple economic cycles over the past decade. However, we have been able to strengthen our business model across industry cycles through organizational agility, tenacity and flexibility.

We have learnt from experience that despite challenges, we have to continue investing in employee training and development. Cost efficiencies are critical, but if we look at the organization's long-term growth and productivity, 'empowerment of people' takes the centrestage. YES BANK continues to invest in training and multi-skilling across locations, functions, businesses and engagement modes. The Bank has also introduced employee-focused initiatives that revolve around empathy, engagement and sensitivity, reinforced by a robust owner-manager-partner approach.

In FY 2014-15, YES BANK continued to remain an employer of choice at leading Indian business schools through our **YES Professional Entrepreneurship Program (Y-PEP)**. We hired close to 100 management graduates. We continued to balance the recruitment of top and senior management professionals at one end with middle, junior and general management professionals at the other.

At YES BANK, our mission is to support the growth of employees and facilitate strategic development. Therefore, we intensified the training plan for all employees with the focus on managerial professional and business employees. In particular, the Bank promoted the key training programs including managerial staff training and customer managers training, and increased the pertinence and effectiveness of training.

Our culture of excellence encourages our people to explore, innovate and deliver solutions to our clients that make YES BANK a distinctive organization to work for.

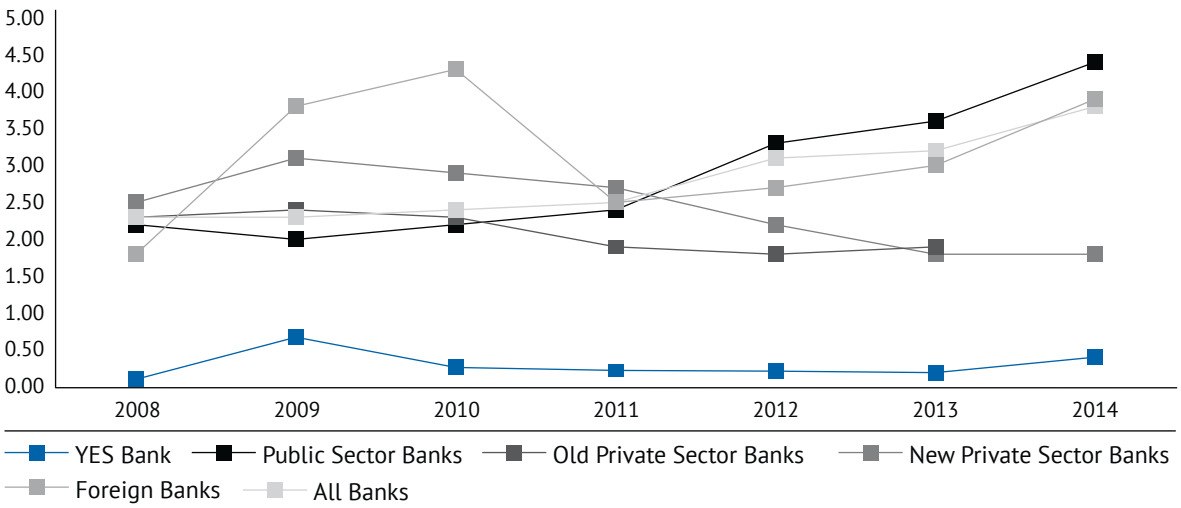
Robust Risk Management

At YES BANK, we realize that we are in the business of managing risks for our clients, investors and other stakeholders. Hence, our expertise lies in 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. 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 enabled it to detect early warning signals and embrace appropriate proactive actions.

The Bank continued to strengthen strategic partnerships with some of the best global IT majors, with the objective to develop innovative features that enhanced process efficiencies and provided sector-specific banking solutions. The development of a robust business continuity plan addressed risks and secured the overall transaction environment. The effectiveness of YES BANK's risk governance was reflected in best-in-class indicators – the Bank's Net NPA (nonperforming assets) was among the lowest in the industry at 0.05%, even in an economically challenging FY 2014-15.

YES BANK's GNPA (%) in comparison with other banks



Source: RBI, DBIE

Responsible Banking

Technology is a great equalizer, transcending geographic boundaries and bringing economies and people closer. The result is a single global village, where every country can conduct voluminous economic activity with an ease that didn't exist a few years ago.

This heightened economic growth has also created 'glocal' behaviour and the need to balance growth with social and climate imperatives. In this highly 'glocalizing' world, where economic, social and environmental integration is gathering pace, innovation has emerged as a key metric for organizational success in being able to deliver world-class sustainable positive impact.

YES BANK, in its quest to achieving its vision of being 'The Finest Quality Bank of the World in India' by 2020, has been constantly innovating to deliver on its responsibility as a financial institution. Since inception, it has had a laser-sharp focus on being a sustainable bank. Such a strategy ushered in Responsible Banking as the core plank that cuts across all functions and integrates business strategies, approaches and financial targets. YES BANK engages with the sustainable development ecosystem nationally and internationally as a part of its stakeholder commitment.

Being a home-grown bank, YES BANK has played an extensive role nationally and internationally by nurturing and fuelling sustainable development outcomes. Thus creating overall positive impact and emerging as a truly glocal institution. This is demonstrated by the various initiatives by the Bank under its triple bottomline approach.

Localized investments for global outcomes

YES BANK has been a pioneer in renewable energy financing in India. It has also strengthened its leadership position by becoming the first Indian bank to launch Green Infrastructure Bonds, in addition to committing to funding 5 GW of renewable energy, at the 1st Renewable Energy Summit organized by the Union Ministry of New and Renewable Energy.

Linking global mandates to local impact

Through its innovative community impact programs, such as YES COMMUNITY, the Bank reaches out to communities around its branches in all states and union territories of India. The objective is to bring them together on a common ground to engage on issues of global importance, such as the Sustainable Development Goals.

During the year under review, YES COMMUNITY touched over 5 Lakhs lives through over 5,800 YES COMMUNITY events conducted at YES BANK branches across India. Homes, schools, residential societies, old age homes, hospitals, corporate offices, colleges, and other such community stakeholders all came together on the YES COMMUNITY platform to work towards a cleaner, healthier, safer, happier and a more sustainable India.

Within the Natural Capital Initiative, YES BANK has taken a lead in mainstreaming the pertinent topic in India. It launched the Natural Capital Olympiad, a pan-India event endorsed by the Central Board of Secondary Education, under the initiative aimed at taking the natural capital concept to schools. Approximately 10,000 students from 250 schools participated in the inaugural Olympiad.

YES BANK was India's first bank to achieve the ISO 14001 certification, a global benchmark for Environment Management System. After covering 12 locations, including its corporate offices in Mumbai and Delhi, in the first phase, the Bank achieved a significant milestone by covering all 76 cluster hubs in the second phase of certification this year.

L to R: Guneet Monga, Film Producer; Namita Vikas, Chief Sustainability Officer, YES BANK; Shabana Azmi, Film Actress and Prerana Langa, CEO, YES FOUNDATION launch YES! i am the CHANGE 2014

During the year under review, YES COMMUNITY touched over **5 Lakhs** lives through over **5,800** YES COMMUNITY events conducted at YES BANK branches across India.

Linking local voices to global platforms

Driven by the Responsible Banking mandate, YES BANK has emerged as a key Indian voice at global platforms discussing the critical issues facing our generation. The Bank was the only Indian bank to be invited to the UN Climate Summit in September 2014 in New York at the behest of the UN Secretary General. YES BANK has highlighted India's issues and priorities at several key global platforms.

Global innovation for local solutions

YES BANK has made innovation the foundation for developing award-winning products and services that has a positive socio-economic and environmental impact among India's under-banked and unbanked population. Through innovative business solutions like YES MONEY, YES LEAP, YES SAHAJ and YES Kisan Dairy Plus, the Bank positively impacts migrant workers, rural women self-help groups and agriculturists.

'YES! I am the CHANGE', a national social film movement by YES FOUNDATION, the Bank's social development arm, achieved the rare distinction of becoming India's largest social film movement and one of the world's largest. It received over 50,000 registrations from all corners of India who submitted 1,750 short films on issues close to their hearts. The short firms, amplified through screenings across hundreds of schools, colleges, Bank branches, and on social media, have touched many more lives worldwide.

Establishing a new benchmark for transparency and triple bottomline accounting and reporting, we became India's first bank to release an externally assured sustainability report adhering to the GRI G4 reporting framework. We also became the only Indian financial institution to be included on the Carbon Disclosure Leadership Index of the CDP for four consecutive years, scoring highest among all reporting financial institutions. YES BANK shares a strong relationship with UNEP FI and is the first Indian signatory to this global partnership between UNEP and the financial sector. The Bank is elected to its Global Steering Committee and sits on the Board of the Banking Commission. In addition, the Bank is on the Advisory Board of the Portfolio Carbon Initiative, which is putting together a global framework to map financed emissions.

Responsible Banking, thus, has been YES BANK's unique value proposition to deliver on its key sustainable development and corporate social responsibility objectives, through an innovative and integrated approach that bridges the Bank's global ambitions with its local mandate.

Expertise in Financial Inclusion

At YES BANK, we believe helping build an inclusive India is our corporate mandate, and we are excited at being a part of this movement for social change. We are using our expertise to widen opportunities for disadvantaged sections of society.

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 institutionalized a special division, **Inclusive & Social Banking (ISB)**. ISB's mandate is to reach out to unbanked and under-banked population by leveraging our branch network, technology edge and relationship capital in the public, private and social sectors. Working with the guiding principle of **Frugal Innovations for Financial Inclusion (FI4FI)**, ISB has been developing award-winning innovative and viable business models, and fostering relevant partnerships for seamless implementation.

YES BANK has also been given a USD 220 Million loan from the **Asian Development Bank** to further its initiatives and finance working capital and investment loans targeted towards small farm households and rural women in SHGs. Some of the Bank's key initiatives to promote financial inclusion include YES SAHAJ (Mobile Transaction Kit); YES MONEY (Domestic Remittance service) and YES LEAP (product suite for self-help groups or SHGs). As on March 31, 2015:

YES SAHAJ had recorded 8.2 Lakhs transactions with a corresponding transaction value of ₹ 878 Crores

YES MONEY had more than 29,000 Business Correspondent Agents enrolled through 17 Business Correspondents serving over 32 Lakhs customers. The service reported 199 Lakhs transactions with a volume of ₹ 8,148 Crores

YES LEAP reported more than 90,000 credit and savings-linked self help groups with a total outstanding loan of ₹ 1,248 Crores

Brand and Social Media

Our branding strategy revolves around the positivity exuded by one single word. 'YES'. It underlines the twin ethos of service and trust and the promise to deliver a superlative banking experience. We have always pursued a differentiated branding approach in line with our objective of becoming the 'Finest Quality Bank of the World in India.'

In FY 2014-15, YES BANK became India's first private sector bank to be awarded the prestigious AIMA RK Swamy High Performance Brand Award by the All India Management Association. YES BANK was also recognized by Economic Times at the Most Promising Brands awards in 2015.

In FY 2012-13, YES BANK had entered into a five-year partnership with the Pepsi Indian Premier League (IPL), the foremost cricketing event in India, and one of the most watched sports events in the world, as the League's Official Central Partner (Financial Services Category). This landmark sporting event promotes the 'Spirit of cricket' globally and recognizes talent from within India and beyond its boundaries.

YES BANK has strengthened its focus and is investing significantly on new-age media and digital technologies to achieve a deep customer engagement experience. The Bank has successfully exploited the digital space, tapping into its unlimited possibilities. YES BANK is among the most active financial brands on social media with:

1.8 Million fans on Facebook (India's fastest growing bank on Facebook and the world's second fastest growing financial brand);

400,000 followers on Twitter (most followed bank in India); and

29,000 followers on LinkedIn (with industry-leading engagement rate).

YES BANK has been noted for having the **best resolution time among all brands in the BFSI sector in India**, and the highest share of voice in terms of social media mentions with commendable engagement. YES BANK's leadership role in digital and social media implementation has been recognized by leading social media websites and also received accolades from prominent national and global institutions. YES BANK received an award for 'Excellence in Social Media' from the Retail Banker International Asia Trailblazer Awards 2015 for its use of social media for customer engagement and service in an innovative manner.

1.8 million +
fans on FB

Fastest Growing Indian BFSI Brand on Facebook & Twitter

2nd Fastest Growing BFSI Brand on Facebook in the world

Social Bakers May 2014

INDIA'S MOST FOLLOWED BANK ON TWITTER

400,000 +
followers on Twitter

First in Share of Voice on Social Media

Undisputed leader on Twitter

Simplify 360 May 2014

Non-Executive Chairpersons

Ms. Radha Singh,
From October 30, 2014 – till date

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

Ms. Radha Singh,
Non-Executive
Part-Time Chairperson

Mr. Ajay Vohra,
Independent Director

Mr. Brahm Dutt,
Independent Director

Mr. Diwan Arun Nanda,
Independent Director

Mr. M. R. Srinivasan,
Non-Executive
Non-Independent Director

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

Mr. Ravish Chopra,
Independent Director

Mr. Saurabh Srivastava,
Independent Director

Mr. Vasant V Gujarathi,
Independent Director

Mr. Rana Kapoor,
Managing Director
& CEO

Management Team

Abhay Sapru,
President

Aditya Sanghi,
Group President

Ajay Desai,
Senior President

Ajay Mehta,
President

Ajit Chandgude,
President

Akash Prasad,
President

Akshay Sapru,
President

Amit Sureka,
Senior President

Amit Dhawan,
Senior President

Amit Kumar,
Group President

Amit Shah,
President

Anand Ganesan,
President

Anand Bais,
President

Anand Bajaj,
President

Anindya Datta,
Group President

Anup Purohit,
Senior President

Aparajit Bhandarkar,
President

Arun Agrawal,
Group President

Aseem Gandhi,
Senior President

Ashish Agarwal,
Senior Group President

Ashish Chandak,
President

Asit Oberoi,
Group President

Aspy Engineer,
Senior President

Astitwa Pandey,
Senior President

Management Team Contd.

Chitra Pandeya,
Group President

Deepak Kumar Mandhwani,
President

Deodutta Kurane,
Group President

Devamalya Dey,
Group President

Dhavan Shah,
President

Ganesh Narayanan,
President

Gaurav Goel,
Senior President

Jaideep Iyer,
Group President

Jyoti Gandhi,
President

Jyoti Prasad Ratho,
Senior President

K. Somasundaram,
Senior President

Kanwar Vivek,
Senior President

Kapil Juneja,
Senior President

Karan Ahluwalia,
President

Kingshuk Chakraborty,
Senior President

Lata Dave,
Senior President

Malcolm Athaide,
Senior President

Manish Vora,
Senior President

Manish Agarwal,
President

Manoj Phadnis,
President

Manoj Ralhan,
President

Munindra Verma,
Senior President

Namita Vikas,
Senior President

Narendra Dixit,
President

Management Team Contd.

Neelesh Sarda,
Senior President

Nikhil Sahni,
Senior President

Nipun Jain,
President

Niranjan Banodkar,
President

Nirav Dalal,
Group President

Nitin Puri,
President

Nitin Sane,
President

P P Doraiswamy,
President

P Rakesh,
Managing Director

Parag Gorakshakar,
Senior President

Pawan Kumar Agrawal,
President

Peacho Dhaul,
President

Pralay Mondal,
Senior Group President

Pramesh Khanna,
President

Pran Jain,
President

Preeti Sinha,
Senior President

Punit Malik,
Group President

R Ramanujam,
President

R. Ravichander,
Group President

Rajat Monga,
Senior Group President

Rajat Mehta,
President

Rajeev Mahajan,
Senior President

Rajesh Jhunjhunwala,
President

Rajesh Thapar,
President

Management Team Contd.

Rajiv Anand,
Senior President

Rajnish Datta,
Senior President

Rakesh Arya,
Senior President

Ramanand Pulavarti,
President

Ratan Kesh,
Senior President

Rinki Dhingra,
Senior President

Ritesh Pai,
Senior President

Sandip Kar,
President

Sanjay Palve,
Senior Group President

Sanjay Agrawal,
Senior President

Sanjay Mandavkar,
Senior President

Sanjay Nambiar,
Group President

Sanjeev Pandey,
President

Sanjiv Misra,
Senior President

Santosh Mishra,
President

Satya Mohapatra,
President

Shivanand Shettigar,
President

Shubhada Rao,
Senior President

Subramanian Ayyar,
President

Sumit Gupta,
Group President

Sumit Kakkar,
Senior President

Surendra Jalan,
Group President

Sushil Budhia,
Managing Director

Swati Dakalia,
President

Management Team Contd.

Tushar Pandey,
Senior President

Umesh Gore,
President

Vijay Kumar,
Senior President

Vijaykumar Ramakrishna,
President

Vikas Dawra,
Managing Director

Vinod Bahety,
Senior President

Vinod Lund,
President

Vivek Bansal,
President

Warren Patrick,
President

Yogesh Shetye,
President

Yogesh Budhiraja,
President

Yogesh Kapoor,
President

Glocalizing Responsible Banking in India

Introduction

While developed and developing economies are striving to balance between growth, ecology and social parameters, technology is bridging the physical barriers once faced by countries. Global boundaries are fading thus creating a glocal effect, wherein challenges, both global or local are addressed with global or local solutions with permutation and combinations. The phenomena of 'Glocalization', therefore has emerged as a new world order, which is helping countries operate within a circular economy.

In such a circular economy, financial, social and environmental integration is gathering momentum, with innovation emerging as a key metric for organizational success in being able to deliver world-class sustainable positive impact. The triple bottom line accounting assumes importance and an integrated balance sheet is the way forward.

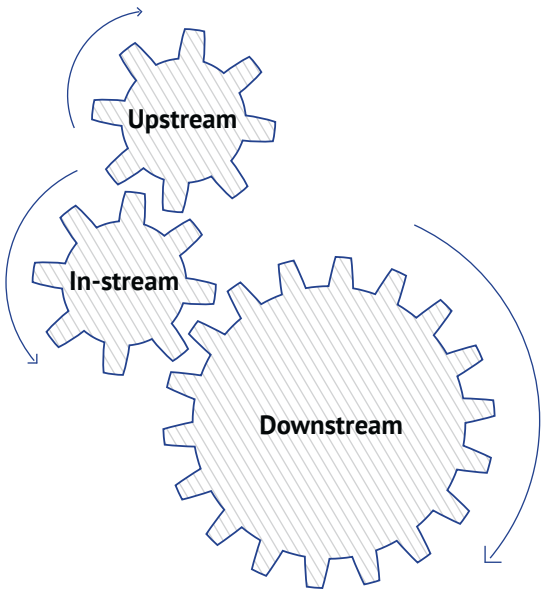
YES BANK, in its quest to achieving its vision 'To be the Finest Quality Bank of the World in India by 2020', has been constantly innovating to deliver on its responsibility as a financial institution and reporting this publicly since FY 2006-07.

Right since inception, YES BANK has incorporated the ethos of Responsible Banking, through which it has been mainstreaming sustainable development and aligning it with core business strategies of the Bank. It has evolved with an inclusive approach wherein it successfully engages with the sustainable development ecosystem nationally and internationally in order to maximize stakeholder value.

Given its impressionable footprint, YES BANK is recognized for being a thought leader, which not only focuses on sustainable development outcomes at local but also the global level, thus creating overall positive impact and emerging as a truly 'Glocal' institution. This is demonstrated by the various first to many initiatives by the Bank under its Triple Bottom Line approach, the starting point of which is the comprehensive mapping of the Bank's wide stakeholder spectrum and identifying and prioritizing its material issues.

Through an extensive stakeholder exercise, which included materiality identification and prioritization, the Bank in the previous reporting cycle, categorized its stakeholders into three broad groups – upstream, downstream and in-stream – based on the level of influence and impact that the stakeholder groups exert on the Bank.

YES BANK's Broad Stakeholder Groups



Thus, through its focused approach towards each of these stakeholder groups, YES BANK is mainstreaming its sustainable development agenda from the highest level of decision making to the most disadvantaged at the Bottom of the Pyramid.

1. Upstream

YES BANK's upstream stakeholders include the regulators, government, investors and media, act as key influencing forces that impact the Bank's business environment.

Through programs and initiatives that engage directly with its upstream stakeholders, YES BANK continues to work towards establishing its case for sustainable development at the highest level.

1.1 Thought Leadership

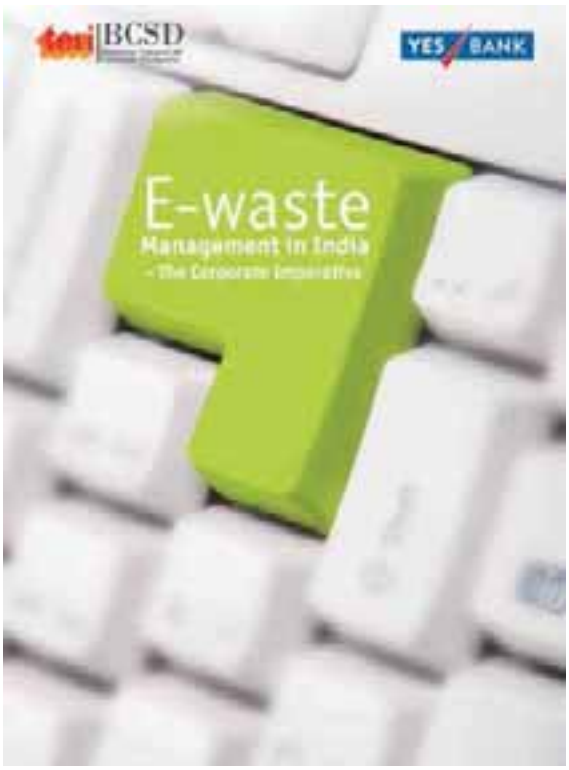
YES BANK has forged strong ties with national and global thought leaders, multi-laterals, and governments to release knowledge reports that are aimed at influencing policy decisions, positively impacting society, environment and the industry at large.

At the international level, YES BANK was part of the International Expert Panel guiding The Climate Group's study on off-grid energy business models in India. The Study is part of the report titled 'The Business Case For Off-Grid Energy In India' funded by Goldman Sachs. The Bank also contributed to the UNEP Finance Initiative's report 'Stability and Sustainability in Banking Reforms' which looks at the relevance of systematic environmental risks to banking sector stability.

In India, the Bank released key knowledge reports in partnership with TERI BSCD on E-waste management, financing energy efficiency in the MSME sector and proposing a multi-stakeholder approach towards the rejuvenation of the Ganges river. In its role as the Knowledge Partner at the first Renewable Energy Global Investors Meet & Expo (RE-INVEST) Summit, the Bank released a knowledge paper on finding synergies to increase renewable energy investment in India, thus influencing policy decisions in this sector.

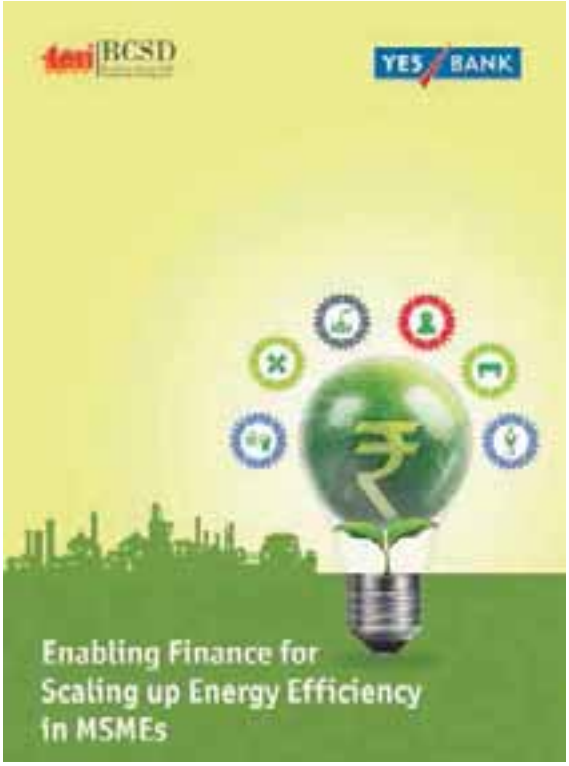
E-waste management in India – The Corporate Imperative

This study, based on multi-stakeholder responses and feedback, would help the e-waste value chain players vis-à-vis Government, industry, regulatory bodies like the pollution control boards, NGOs, recyclers, consumers and informal sector to understand the criticality of the issue and to work together. This report brings out perspectives on the challenges, gaps and key drivers for the efficient management of electronic waste in India. The onus of tackling the e-waste problem is a joint responsibility of both consumer and producer. While there is a critical need for consumers to consciously choose brands which follow take-back policies; producers have to ensure their 'producers' responsibility' by suitably collaborating with their peer companies and incentivizing the consumers to return electronic equipment at end of its life. It is essential that the government strictly enforces the e-waste rules, which became mandatory in 2012 and develop a mechanism to strengthen the process of penalizing those who fail to comply.



Enabling Finance for scaling up Energy Efficiency in MSMEs

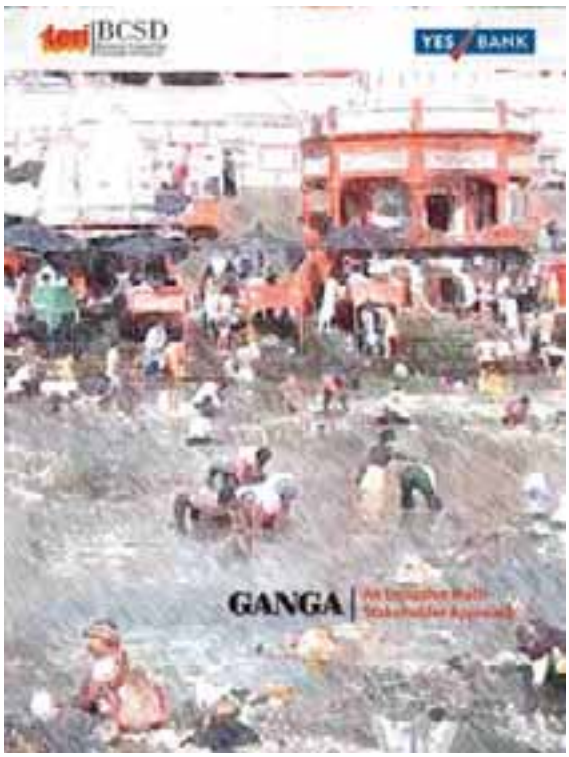
This Knowledge Paper puts together the experience and learning from the financial-model demonstration, and by discussing their appropriateness and relevance through one on one consultations with stakeholders, comprising SIDBI, SBI, SDC, EESL and FISME experts. It seeks to highlight the key challenges faced by the sector and provides possible financing solutions for the Micro, Small and Medium Enterprises (MSMEs). The Paper looks into the current technological ability of the MSMEs as well as the bottlenecks preventing scaling up of energy efficiency in their operations. It provides a critique on the uptake of various government schemes for financing energy efficiency in MSMEs. It also points to the need for synergy between public and bank financing, and especially the imperative of developing appropriate technology financing business models.

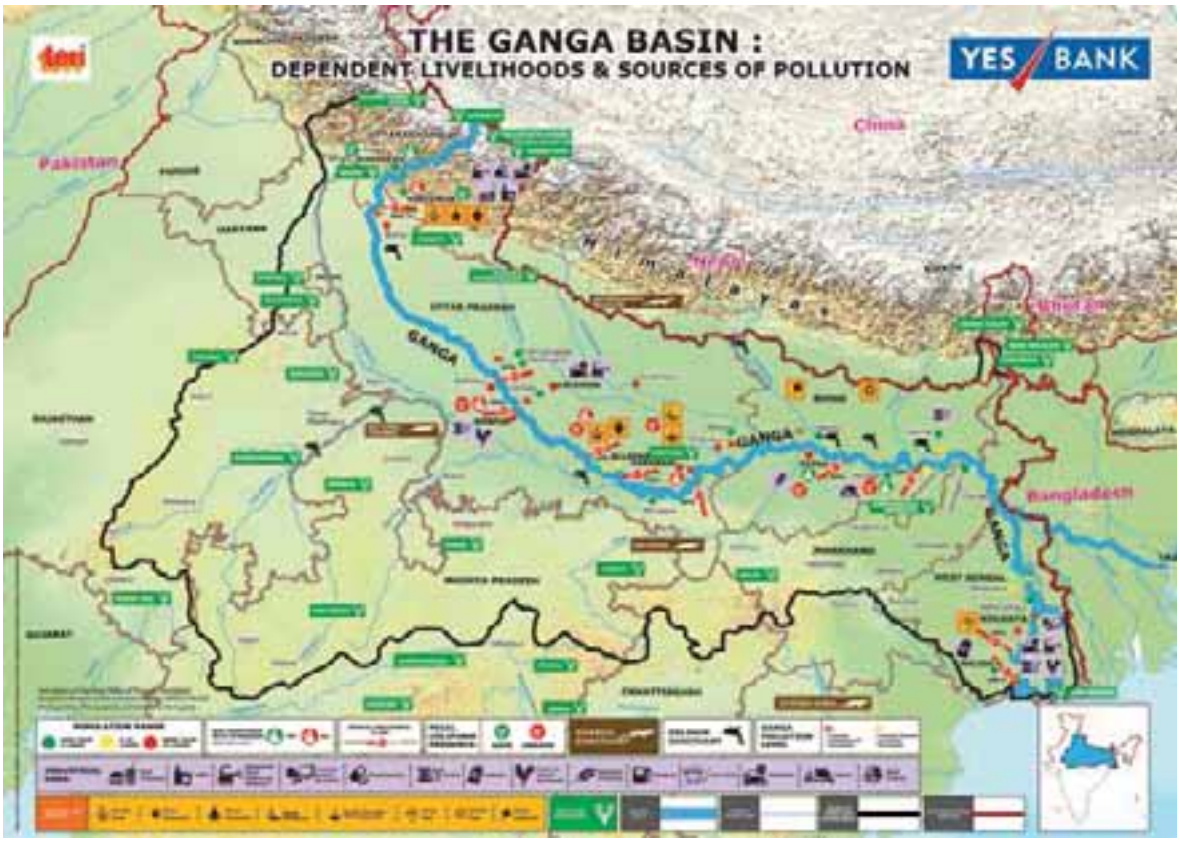


Ganga: An Inclusive Multi-Stakeholder Approach

The White Paper, released after extensive consultations across a wide spectrum of stakeholders, recognizes that rejuvenating the Ganga is not the responsibility of the Government alone; but it calls for nationwide initiatives including individuals, communities, research organizations and Indian Industry. The National Mission to Clean Ganga has resulted in renewed momentum that should be utilized to create a framework and instil processes to align community, business and policy objectives, across central, state and district levels.

The Paper highlights how such a framework would bring all stakeholders, right from senior government officials to river boatmen, together to bring about highly effective ecosystem resilience that would address environmental, ecological and anthropological aspects. It further addresses how a robust decision making paradigm and public-private partnership financial models can have the potential to spearhead the spirit of enterprise at a very local level, boosting local employment opportunities. The attempt is to bring out new perspectives on financial management methods, structured public-private partnerships that can create effective solutions to clean the fifth most polluted river in the world.





The Ganga Basin – Dependent Livelihoods & Sources of Pollution

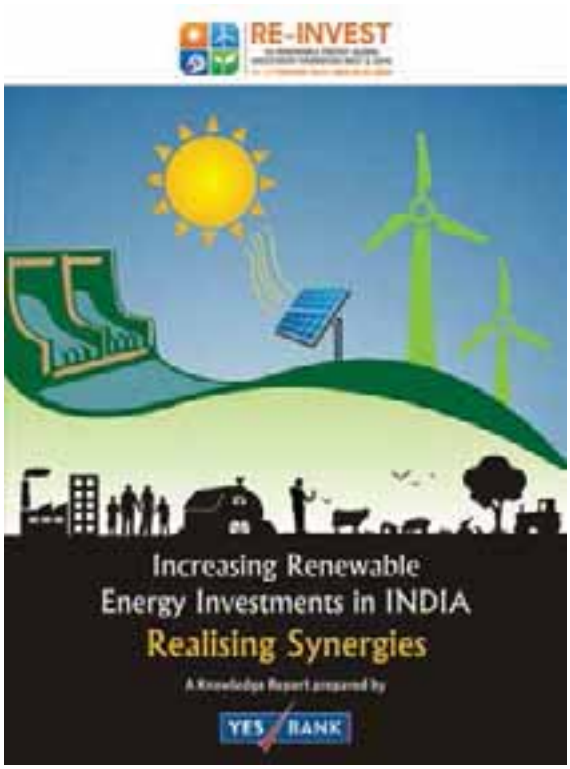
Jayant Sinha, (Minister of State of Finance, Government of India), receiving the Map on Ganga Basin from Rana Kapoor, (Managing Director & CEO, YES BANK), as Henrik O. Madsen, (Global CEO, DNV GL), looks on

Increasing Renewable Energy Investments in India: Realizing Synergies

The Report highlights that the environment in India is conducive to bringing the resource pool, talent pool, and the market's need for access to power, together to realize the investment potential in the Indian Renewable Energy sector.

The Report has four critical distinct sections with the intention of providing an Indian financial institution perspective on renewable energy investments in India. It also looks at the human, technological and natural resources present in India, which are important ingredients to create a synergy for increasing investments into the sector.

The Report was released at the RE-Invest Summit, organized by the Ministry of New and Renewable Energy, Government of India, at New Delhi.



1.2 Global Engagement on Sustainable Development

YES BANK has taken a leadership position among its Indian banking peers in mainstreaming the sustainable development agenda at the global stage. As signatories to key global coalitions, such as the UNEP Finance Initiative (UNEP FI), UN Global Compact, the Natural Capital Declaration and CDP, the Bank has put forth the Indian viewpoint on key issues such as climate change, responsible finance and natural capital.

YES BANK shares a strong relationship with UNEP FI and is the first Indian signatory to this global partnership between UNEP and the financial sector. During the reporting period, Namita Vikas, Senior President and Country Head –Responsible Banking, was elected as the Asia-Pacific Chair of the UNEP FI. The Bank has also been elected to its Global Steering Committee and sits on the Board of the Banking Commission. In addition, the Bank is on the Advisory Board of the Portfolio Carbon Initiative, which is putting together a global framework to map financed emissions.

YES BANK was the only financial institution from Asia to be invited by the UN Secretary General Ban Ki-Moon for the UN Climate Summit held in New York City in September 2014, where the Bank committed to a target of funding 500 MW of clean energy every year, with periodic upward revision, based on the clean energy market expansion in India.

The Bank is Vice-Chair of Working Group III and member of Working Group I of the Natural Capital Declaration, a joint initiative of the UNEP FI and Global Canopy Program, and is a Founder Member of the India GHG Program of the World Resources Institute, and sits on its Advisory Board.

During the year, YES BANK was a part of several global platforms on sustainable development and climate change.

Namita Vikas, (Senior President and Country Head, Responsible Banking, YES BANK), speaking at the BEI Forum 2014 in June 2014 at Hong Kong

1.2 FASAR

In line with YES BANK's approach towards being a knowledge driven organization, Food & Agribusiness Strategic Advisory & Research group (FASAR) is a specialized team within the Food & Agribusiness Research Management (FARM) Business Unit, comprising industry specialists with immense sectoral knowledge and relevant experience and expertise in the conceptualization and implementation of food and agri initiatives.

FASAR works with a broad range of stakeholders, including local, state and national governments, corporate sector, MSME sector, MNCs, Government departments and multilateral agencies in sectors such as dairy, agri-inputs, food processing, SEZs, food parks and terminals, skill development, rural retail and various aspects of rural infrastructure and supply chain. In FY 2014-15, FASAR had undertaken 10 new advisory mandates on Agri-Infrastructure, Public-Private Partnership, Food Processing, Agricultural Marketing, Value Chain, Quality Certification and Dairy.

FASAR conducts in-depth research on various sub-sectors of Food and Agriculture domains and has published insightful knowledge reports on key topics such as biotechnology, food processing, and on specific sectors of the rural economy such as sugar, dairy and skill development. The team also anchors knowledge pool development for thought leadership in the media.

In the reporting period, FASAR partnered with the Ministry of Food Processing Industries, Government of India to organize the National Conference on Spurring Financing and Investments in the Food Processing Sector, aimed at boosting financial institutions' participation in the strategically important food processing sector in India, also releasing a joint knowledge report at the Conference.

The team's other key publications during the year were on Indian seed industry, dairy sector, cold chain, and partnerships with Australian Trade Commission, National Seed Association of India, Indian Dairy Association, and the Netherlands Agro, Food and Technology Centre, India.

Harsimrat Kaur Badal, (Union Cabinet Minister for Food Processing, Government of India) (4th from left), Niranjan Jyoti, (Minister of State for Food Processing, Government of India) (5th from left), releasing the knowledge paper 'Fruits & Vegetables Availability Maps of India' in New Delhi

During the year, the Bank, with support from the Australian Trade Commission, organized a dairy delegation to Australia to facilitate cooperation between the two countries in various sub-sectors of the dairy industry. Led by professionals from the cooperative and private dairy sector, the delegation was instrumental in evaluating trade opportunities and exploring tangible collaborations.

YES BANK Partners Netherlands Agro, Food and Technology Centre to Boost Indo-Dutch Agri business Collaboration

In a major boost to the development of multi-focal, multi-sector agri-business in India, YES BANK entered into a strategic partnership with the Netherlands Agro, Food and Technology Centre (NAFTC) – India, a nodal Dutch agency which facilitates business development for its members in India, to leverage the value that globally competitive technologies, systems and processes can contribute to furthering of development of Food and agri sector in India.

The partnership shall leverage the complementary strengths of the two organizations to bring in dynamic changes in the agri-business association between the two countries. As part of the agreement, the two parties will work towards the development of farming communities, agri-infrastructure, agro-based industries and skill development initiatives across sectors including agriculture, dairy, horticulture, animal husbandry and food processing.

Nitin Puri, (President and Country Head, FARM, YES BANK) and Marijn Leijten, (Director, NAFTC – India) signing the MoU in the presence of Lilianne Ploumen, (Minister for Foreign Trade and Development Cooperation, The Netherlands), in November 2014 at New Delhi

The MoU was signed in the presence of Ms. Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation, The Netherlands, and a trade delegation including key representatives of the Government, policy makers and the industry from India as well as The Netherlands, at the residence of the Ambassador of The Netherlands to India.

1.3 Strategic Government Advisory

The Strategic Government Advisory (SGA) delivered on key mandates during the year for various state governments and quasi-government bodies on tourism and business development.

SGA led several mandates on tourism development for state governments, including preparation of vision documents, approach notes and road maps. In addition, SGA was appointed as a consultant by a state government's Department for Tourism for implementing an ADB funded project on community based tourism.

Strengthening its advisory portfolio, SGA was empanelled as advisor to various government bodies and signed an MoU with ITCOT Consultancy and Services Limited, Chennai, a public limited company, to explore joint business development in Government advisory space.

In addition to its various mandates, the Unit released a knowledge report, 'Roadmap: Positioning Bengal as India's Leading Investment Destination', released at the Bengal Global Business Summit 2015 at Kolkata, West Bengal.

2. In-Stream

YES BANK's in-stream stakeholders are the pillars on which it stands. During the reporting cycle, the Bank bolstered its existing policies and practices to strengthen this critical stakeholder group, and launched several key initiatives in learning and development, and environmental mitigation.

2.1 Finest Human Capital

YES BANK has steadily evolved as the 'Professionals' Bank of India', which is the cornerstone of sustained success of the finest Human Capital resources. The sustained growth of YES BANK over the past 11 years is based on the key pillars of Growth, Trust, Technology, Human Capital, Transparency and Responsible Banking.

The Human Capital Management (HCM) practices at YES BANK are targeted at developing the YES BANK brand as an 'Employer of Choice'. YES BANK aims to build a culture that supports Professional Entrepreneurship, and has exemplified 'creating and sharing value' for all its stakeholders by creating a differentiated Banking Paradigm.

As we relentlessly pursue our Vision of becoming the 'Finest Quality Bank of the World in India By 2020', the most gratifying aspect is the development and growth opportunities available to our Executives, to further strengthen their 'Capacity' and 'Capability' for tectonic, orbit changing growth of YES BANK in its NEW, LARGE SIZE phase commencing from April 1, 2015 up to 31st March 2020.

Health and wellness

YES STEPATHLON - A race around a virtual world

As part of its YES PERSONALITY initiatives, YES BANK launched an innovative wellness initiative, YES STEPATHLON, to augment executive health. YES STEPATHLON, a unique, pedometer-based event, was designed to help employees become more physically active through a fun, team-oriented and relevant format. YES STEPATHLON was well received within our Bank and among B-School Students (USRM Participants), with 638 YES BANKers (including 101 Top & Senior Management Executives) and 250 Students (from Top 25 campuses) who participated this year.

Preventive Healthcare

The Bank endeavored to enhance employee benefits and roll out Vaccination Camps in coordination with healthcare partner, offering executives H1N1 (Swine Flu) vaccination at discounted rates. In order to encourage a healthy lifestyle, the Bank continued with Health Times, a bulletin that provided health and safety tips.

Group Mediclaim Policy

YES BANK strengthened its Group Mediclaim Policy for its employees and their families to provide enhanced benefits like Group Personal Accident (GPA) cover along with the Group Term Life Insurance Policy.

Employee Performance Management

The Bank's Y-TOP (YES Talent Optimization Program) manages the performance of executives ensuring timely, unbiased and transparent appraisal process for all executives. The Bank follows an annual review cycle, with every executive undergoing a multi-level performance valuation. The Bank evaluates performance purely on merit. The ratio of basic salary for men and women at the Bank is 1:1.

Employee Satisfaction Barometer

At YES BANK, we strongly believe that an engaged team of 'YES BANKers' is critical in achieving our business goals and building a sustainable organization. In an effort to make YES BANK a 'Great Place to Work', we had partnered the Great Place to Work® Institute, India for the 3rd year to undertake an independent 'Executive Engagement Survey' and assessment of our workplace cultural practices.

Great Place to Work® Institute is a global management research and consulting firm, which conducts research and recognizes leading workplaces in more than 45 countries. Great Place to Work® Institute, India conducted this survey across various organizations in India as a part of the 'India's Best Companies to Work For' – 2015 Survey.

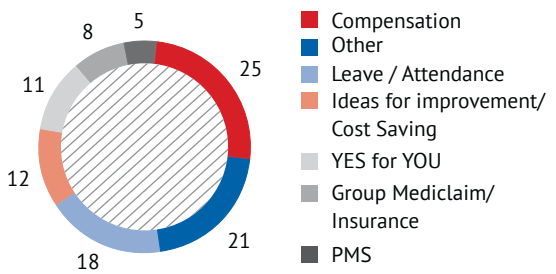
The Trust Index Score for YES BANK increased over the last 2 years across all dimensions viz. Credibility, Pride, Respect, Fairness and Camaraderie. Additionally, the score on the overriding statement 'Taking everything into account, I would say this is a great place to work' signifies that on the whole, Executives find YES BANK to be a 'Great Place to Work'.

My Voice

In line with the Bank's objective to provide a consistent and superior service experience for its employees, the Bank's employee grievance redressal portal, My Voice, is being run successfully since 2009. My Voice aimed at providing executives with a simple, easy-to-use platform to post inquiries/grievances with in-built tracking and escalation mechanisms for effective monitoring and follow-up. My Voice acts as an Empowerment tool for executives as queries also reach the Head of HCM business unit.

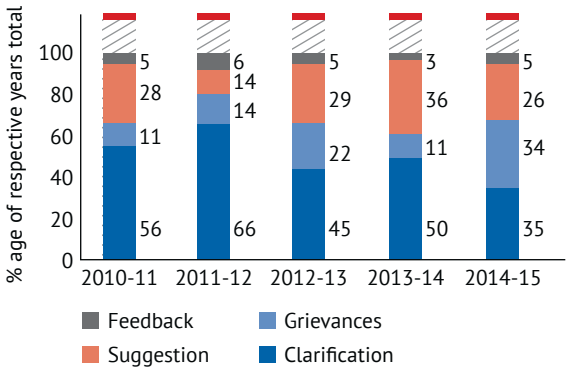
Bank's HCM Risk Containment Unit analyzed queries received to identify the concern areas. Analysis Reports were shared with Head - HCM and corrective actions were undertaken. No cases of discrimination were reported by employees during the year.

My Voice Analysis by Category FY 2014-15 (%)



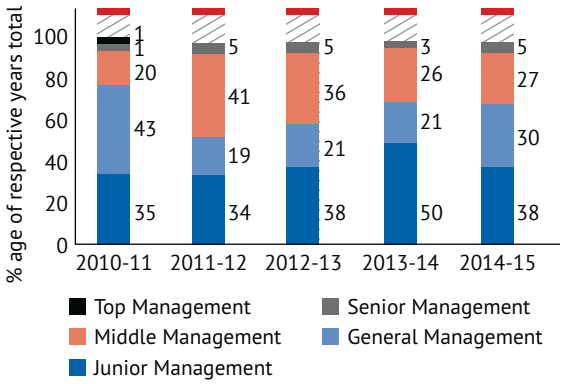
**Others* mainly include queries on referral bonus, transfer, HCM policies, issues with RA/Colleague, INM related queries etc.

My Voice Analysis by Type (%)



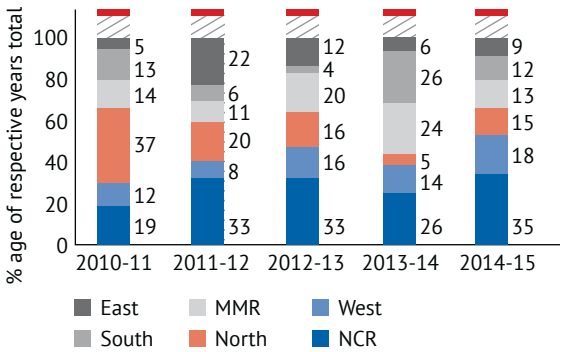
Maximum queries are raised on Payroll related matters (about 38%), which may further elaborated as queries on PMS, Group Insurance/Mediclaim, Reimbursements and Salary & Tax.

My Voice Distribution by Management Level (%)



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 Banking —Region-wise (%)



HCM Risk Containment Unit

In line with the highest standards of corporate governance, YES BANK had set up HCM - Risk Containment Unit (HCM RCU) in January 2013 within the Human Capital Management unit as a proactive measure to promote financial discipline and prevent fraud.

The HCM RCU acquired and operationalized Access Data® Forensic Toolkit® (FTK®) during FY 2014-15 to examine mails sent outside Bank's domain for data security and to detect unauthorized usages, becoming the first in the industry to adopt this practice.

YES SCHOOL OF BANKING

In today's dynamic knowledge economy, it is imperative to build a high quality robust Human Capital talent pool that will provide the organization a sustained Competitive Advantage.

YES BANK has always emphasized on a Knowledge driven approach with the objective of focusing on capability development, and being aspired as an 'employer of choice' for the brightest and best quality Human Capital. This is the cornerstone of YES BANK's evolution as the 'Professionals Bank of India'.

Key Human Capital, Organizational Development and Learning initiatives at YES BANK are domiciled under the aegis of YES SCHOOL OF BANKING (YSB), institutionalized in 2007 with a vision to create a centre of excellence for learning solutions in banking and related areas.

Training Programs fall under the following broad categories:

1. Behavioral and Leadership skills
2. Employee Induction (includes KYC/AML)
3. Mandatory Policies and compliance
4. Process training
5. Product training

'Executing Strategies for Growth' by Ram Charan

With the objective of enhancing SCALABILITY, SKILLS and SPEED, YSB organized an exclusive workshop on 'Executing Strategies for Growth' by Ram Charan, noted business advisor, speaker and author, for the top 110 YES BANK Leaders, so that they 'embody' and 'align' their behaviors and actions to execute their business strategies/plans in line with YES BANK's vision for 2020. The workshop concluded with all Leaders submitting their individual action plans to Ram Charan, which was duly shared with them individually for tracking/closure.

YES BANK Leaders at the exclusive workshop on 'Executing Strategies for Growth' by Ram Charan at Mumbai

'Where Eagles Dare' Workshop

The workshop, conducted for leaders from key business units, equipped participants with the strategies to transform their mindset to be able to collaborate and achieve their aspirational targets.

The workshop was structured to achieve the following -

- ✓ Build a shared vision for change
- ✓ Establishing TRUST between Control Functions and Business Banking teams
- ✓ BREAKING SILOS between teams
- ✓ Effectively DELEGATING responsibilities
- ✓ Taking OWNERSHIP / ACCOUNTABILITY of the common goal

In addition to institutionalizing L&D initiatives in the Bank, the YSB further augments the University & School Relationship Management program (USRM) which plays a pivotal role in building the YES BANK brand as a Preferred Employer of Choice among the best Ivy League Institutions in India and overseas.

Transformation Series

The YES BANK Transformation Series is a flagship engagement program for global future Young Leaders across the world. Led by the YES SCHOOL of BANKING, the Transformation Series was conceived in 2010 as a global case-study challenge with the underlying ethos of 'Innovation, Creativity and Transformation'.

Through the program, the Bank reaches out to the brightest young minds in leading universities across the world and provides them with an experiential

YES BANK Leaders at the 'Where Eagles Dare' Workshop at Mumbai

dimension to learning, thus enabling them to creatively present their solutions for real business issues. Captains of the industry, thought leaders, academicians, entrepreneurs and journalists have been associated with this program as Jury members or as part of the Advisory Council.

The third edition of the program was launched in campuses across India, with 8,080 students competing for a cash prize of ₹ 3 Lakhs. The first two editions had seen a participation of over 5,000 students from campuses across the world.

Team OpportuNITIE, from NITIE, Winners of the YES BANK Transformation Series 2015, with Dr. Bibek Debroy, (Member, NITI Aayog), Ajai Kumar, (Strategic Advisor, YES BANK), and Nirmalya Kumar, (Member, Group Executive Council, Tata Sons), on March 2015 at Mumbai

The Transformation Series' Advisory Council includes:

1. Padma Shri Dr. Bibek Debroy - Member, NITI Ayog
2. Mr. Chaitanya Kamat - MD & CEO, Oracle Financial Services
3. Dr. Bhaskar Das - Group CEO, Zee News
4. Mr. Sundeep Khanna - Executive Editor, LiveMint
5. Mr. Ajai Kumar - Former CMD, Corporation Bank
6. Mr. Ashish Hemrajani - Founder, BookmyShow.com
7. Dr. Gita Piramal - Former Director, BP Ergo & VIP Industries Limited
8. Dr. Chitra Ramkrishna – MD & CEO, National Stock Exchange (NSE)

YES Aspire

'YES ASPIRE to INNOVATE' is a scholarship program conceived with the belief that India's future as a global socio-economic powerhouse lies in realizing the untapped potential of its youth.

The Bank's driving vision in founding the program is to provide a grooming platform for outstanding young leaders, who would lead India into its next wave of socio-economic growth.

The program will offer individual scholarship of ₹ 2 Lakhs each to 30 YES ASPIRE Scholars chosen from 25 Premier B-Schools across the country. The Scholars will also have an opportunity to interact with entrepreneurs, Captains of the Industry and thought leaders.

YES Udaan

YES BANK is 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 the youth of Jammu & Kashmir.

In the second Edition of the project, it received 700 applications which were screened through an Online Aptitude Test followed by the Final selection interview. 40 students have been selected who have gone through rigorous three month customized Certification program, 'Certification in Banking Fundamentals'.

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.

MY Learning@YES

To reaffirm the Bank's vision of becoming 'The Finest Quality Bank of the World in India by 2020', enhancing Skills, Speed & Scale, are key organizational focus areas. During the year, YES BANK launched its online Learning Management System 'MY Learning@YES' with an aim to enhance skills via scalable deployment of training programs, with speed, to ensure pan-India coverage thereby enhancing performance, improving compliance, operational and process controls as per regulatory requirements.

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

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, including the YES Bank story, the Bank's key differentiators, YES Brand and its business units. Importantly, the Induction Program is the first critical training for employees on key regulatory and compliance issues, including Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, information security, products and processes, and Human Capital Management Policies and Procedures. During the reporting period, 133 induction programs were conducted for 3,357 executives, and 890 executives were inducted through the E-Learning Module.

Employee training programs conducted

	FY 2014-15	FY 2013-14	FY 2012-13
Total training programs conducted	1,596	1,198	1,008
Total executives trained in programs above	9,275	8,322	5,846

Employees trained by gender

	FY 2014-15	FY 2013-14
Male	7,648	6,969
Female	1,627	1,353
TOTAL	**9,275**	**8,322**

Employees trained by management category

	FY 2014-15	FY 2013-14	FY 2012-13
Senior management	483	350	87
Middle management	2,044	1,755	1,450
Junior management	2,762	2,302	1,650
General management	3,986	3,915	2,659
TOTAL	**9,275**	**8,322**	**5,846**

Training programs by category

	FY 2014-15	FY 2013-14	FY 2012-13
Behavioral and leadership skills	338	77	70
Employee induction	140	199	124
Mandatory policies and compliance	158	133	101
Process training	59	53	188
Product training	901	736	525
TOTAL	**1,596**	**1,198**	**1,008**

	FY 2014-15	FY 2013-14	FY 2012-13
Participant man-days	30,946	32,814	25,400
Participant man-days per executive	2.86	3.7	3.8

**Participants Man-days Includes resigned executives*

Training targets/plans for next year

- Focus Areas for Learning & Development
  - Enhancing compliance culture (Systems, Controls & Processes)
  - Improving productivity
  - Enhancing quality
  - Service orientation/attitude
  - Increased speed and agility for execution
  - Scaled up value added training based on tenure

- Specialized Units formed to enable Learning and Development for different segments

Employee Profile by gender

Gender	FY 2014-15	FY 2013-14	FY 2012-13
Male	8,875	7,330	5,569
Female	1,935	1,468	1,099

Employee Profile by Management Category

Management Category	FY 2014-15	FY 2013-14	FY 2012-13
Top Management	103	82	58
Senior Management	442	323	241
Middle Management	2,386	2,028	1,593
Junior Management	3,248	2,674	1,946
General Management	4,631	3,691	2,830

Employee Profile by age

Age	FY 2014-15	FY 2013-14	FY 2012-13
Below 30	5,001	4,076	3,280
30-50	5,793	4,714	3,380
Above 50	16	8	8

HCM data does not include employees of YES FOUNDATION and YES Securities (India) Limited.

2.2 Environmental Mitigation

In line with its commitment to achieve internal natural resource consumption efficiencies and minimizing its carbon footprint, YES BANK had become the first commercial bank in India to achieve the ISO 14001:2004 certification in 2013, getting 12 of its locations certified.

In Phase II of certification of the Bank's Environment Management System, 79 YES BANK locations, including 76 cluster hubs and 3 corporate offices, have been ISO 14001:2004 certified.

Through a greater owner-manager-partner behavior and participation among all relevant internal stakeholders, the Bank has been able to demonstrate its strict compliance with the requirements of the certification and strengthen its measurement and management of its carbon footprint.

The certification is based on the Bank's Environmental Management Policy that was released in 2012 and firmly outlines the Bank's commitment to achieve a 5% reduction in its carbon emissions intensity through broad-level actions. Extensive awareness campaigns and training programs conducted throughout the year help in involving all the employees to collaboratively work towards reaching this goal.

To obtain the certification, the selected locations underwent a rigorous audit by Bureau Veritas, the third party assessor, which assessed the Bank on conformity with the certification standards, its ability to implement all planned objectives and targets, and the awareness and training of its employees. Third party surveillance audits were also held at 12 locations of the first phase in order to assess the continuity of the PDCA (Plan-Do-Check-Act) process as per the standard's requirement. After a rigorous month long audit, the assessors, in the audit report, stated that YES BANK has firmly embedded environmental considerations across all its operations towards efficiently managing its environmental and operational risks.

The Bank aims to achieve the third phase of growth in achieving ISO 14001:2004 compliance in the coming financial year.

Environmental Mitigation Initiatives

- **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 mandatory quizzes, workshops, among others
  - Involvement of employees in ideas generation and their implementation
- **A gradual shift towards paperless banking:** Being a financial services institution, paper is a major resource consumed at the Bank. In an effort to reduce its paper consumption, the Bank has undertaken following initiatives though IT solutions and digitization products
  - Document Digitization (NEWGEN): The initiative aims to reduce paper used in account opening and verification forms through digitization of documentation and verification. The project, done with the Bank's partner NEWGEN, has saved 6,056,095 sheets of A4 size paper in the Bank's retail operations, based on the estimated number of sheets typically required for these forms. The project begun with Accounts Opening and trade products but the pace of implementation of NEWGEN across various products in the Bank has now increased
  - YES ACTS: Digitization of Annual Insider Trading declarations filled by employees, savings of around 3,900 sheets annually
  - YES Pay: Digitization of all employee reimbursement claims such as mobile, local conveyance, outstation travel, staff welfare and staff relocation, through the YES Pay System. The initiative was started in October 2014 and resulted in total paper saving of 55,298 A4 size sheets by the end of the reporting period.
- LED Tube lights project at IFC, Mumbai: The conventional (T5) tube lights were replaced with LED lights at the Bank's corporate office at IFC, Mumbai. The installation of 2,714 LED tube lights is expected to result in a saving of 196,765 KWhr of energy per year.
- E-waste - The Bank has taken a proactive approach towards handling its electronic waste (E-waste). It has empanelled Central Pollution Control Board (CPCB)-authorized third party E-waste handlers for disposal of its E-waste from its locations across India. In FY 2014-15, the Bank responsibly disposed 1,750 kilograms of e-waste which included desktops, printers and laptop hardware, UPS, and server hardware.

Apart from these initiatives, the Bank has several initiatives underway that target energy conservation and efficiency, including SEMS, the off-site ATM monitoring system, password based printing, LED signage, motion sensors at certain office locations, increased usage of video-conferencing to reduce employee travel, record management at branches, branch timing rationalization, and campaigns to increase employee awareness. In addition, the Bank is also test-running installation of GPS trackers in vehicles used in office operations. The Bank encourages branches to lead their own mitigation initiatives and shares best practices across branches.

Performance of environmental parameters*

Parameter	Units	FY 2014-15	FY 2013-14	FY 2012-13
Scope 1	tCO_2e	1,046	717.6	922
Scope 2	tCO_2e	28,960	24,681	24, 527
Scope 3**	tCO_2e	864	986.4	N.A
Total (scope 1 & 2)	tCO_2e	30,006	25,399	25, 459
Diesel Consumption	Litres	395,401	265,549	348, 616
Grid Electricity consumed	MWh	35,317	33,319	26, 198
Scope 1 & 2 emission intensity per employee	tCO_2e/ FTE	2.78	2.88	3.62

**Data for March 2015 has been extrapolated on the basis of the average of 11 month actual data*
*** Scope 3 includes Business Air Travel*

Leadership in Climate Awareness and Disclosures

YES BANK was the first Indian banking signatory to the CDP, and has been reporting on its greenhouse gas emissions since 2009. In the reporting period, the BANK became the first Indian financial institution to be on the Climate Disclosure Leadership Index for four consecutive years.

With a score of 92, the Bank scored highest among all financial institutions on the Index, and improved on its score of 81 in the previous reporting cycle.

During the reporting period, YES BANK partnered with the World Wildlife Fund (WWF) and announced its support for the Earth Hour 2015, one of the largest global awareness campaigns on climate change, where millions of people around the globe switch off non-essential lights for one hour on the last Saturday of March between 8:30 PM and 9:30 PM.

The Bank continued its partnership with Grow Trees and gifted 745 trees to its external stakeholders including customers and partners. These trees are planted at ecological hot spots around the country on their behalf, including Kanha National Park, Madhya Pradesh, Kumbhalgarh Sanctuary and Sariska Tiger Reserve, Rajasthan and Sundarbans National Park, West Bengal.

3. Downstream

YES BANK's downstream stakeholder spectrum, comprising its customers, the industry and economy its operates in, and the community at large, is the most important stakeholder group that the Bank exists for.

Through innovative products and services, positive impact initiatives and far reaching partnerships, the Bank has been successful in mainstreaming its sustainability and corporate responsibility mandate across the continuum.

3.1 Financial Inclusion – Inclusive and Social Banking

Financial Inclusion is an important developmental goal for India, not only for achieving inclusive growth but also for greater social justice. It remains a critical determinant of social inclusion for the poor and the vulnerable. YES BANK, as it crosses 10 years of institutional excellence, has focused on 'inclusive growth' of 'emerging India' through innovative business models and forging partnerships for seamless implementation.

Working with the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI), the Bank has systematically leveraged ICT and frugal business models to run appropriate products and services catering to the under-banked and unbanked population in India.

YES BANK's Inclusive and Social Banking unit (ISB) offers products and services including direct micro-credit, micro saving and micro insurance and remittance services across various geographical and socio-economic contexts. Through YES LEAP, ISB's flagship program in rural India, the Bank has financed over 90,000 SHGs spread in 250 districts, thus directly reaching over 12 lakh families. YES SAHAJ, the Bank's award winning and globally recognized technology solution platform offers doorstep banking services using low cost technology. In urban India, YES MONEY, a multi-channel domestic remittance service, offers low cost, safe and highly accessible remittance platform to migrant labourers who wish to transfer funds to their native villages and towns. ISB's latest success, the YES Kisan Dairy Plus, offers a bouquet of financial services to dairy farmers.

Towards creating a multiplier effect through larger collaborations, YES BANK was the first private bank to take advantage of new RBI norms allowing scheduled commercial banks to appoint NBFCs (Non-Banking Finance Companies) as their business correspondents. The move will allow YES BANK to offer its products and services for the bottom of the pyramid through Muthoot Finance's over 4,000 branches across India, and further the cause of digital financial inclusion in the country.

YES Kisan Dairy Plus

The Indian dairy sector is estimated at USD 70 Billion, with the livestock sector contributing 28-30% to agricultural GDP and contributing 70% to livestock GDP. Given the dairy sector's importance in the rural economic landscape, YES BANK had launched the YES Kisan Dairy Plus as a comprehensive suite of financial products for the dairy sector.

In the first phase of implementation, the Bank has collaborated with one of the largest dairies in South India. An automatic milk testing machine installed at the partnering dairy can provide immediate inputs on the quality and quantity of milk supplied by the small dairy farmer, who can be paid immediately through YES Kisan Diary Plus, into his saving account. The farmer receives a confirmation of payment through a mobile text message, and has two options to either leave the amount in his account or make withdrawals using YES SAHAJ, the Bank's mobile ATM solution.

YES MONEY

YES MONEY, the Bank's innovative, award winning domestic remittance model, leverages existing cash remittance technologies in India, vast spread of local

family owned retail stores and its pan-India network of bank branches, to meet the remittance needs of millions of migrant, unbanked and under-banked population in India.

YES MONEY operates on a custom built, multi-channel platform, the Remittance Knowledge Bridge which synergizes a local store, a computer and an internet connection into a full-fledged Business Correspondent Partner of the Bank.

Working within the regulatory guidelines of the Business Correspondent model of the RBI, the available electronic fund transfer technology in India, the Bank took advantage of India's deep mobile penetration to develop a smooth, cheap and customer friendly service that is available to users all across the country at any time of the day.

YES MONEY achieved a major milestone in the reporting period by crossing over USD 1.3 Billion in remittances since its launch, with the total value of remittances at approximately ₹ 8,148 crore. The service has one of the lowest charges to enable the maximum number of customers to afford this service.

Since its launch, the product has seen a steady growth in the Business Correspondent partners, users and transactions.

The product has also contributed to reducing the number of potential paper that would have been consumed using traditional banking for remittances. By virtue of executing almost 19 Million transactions, which would have typically used half a sheet of A4 size paper each, the service has potentially saved nine and a half million sheets of paper. Similarly, the product also reduces the footprint generated when a user has to travel to a bank branch, perhaps multiple times, to make a transaction.

YES MONEY was presented as a best practice at the African Development Bank Conference on Cross Border Payments, demonstrating its strong potential for replication.

YES MONEY	FY 2014-15	FY 2013-14	FY 2012-13
Number of Business Correspondents*	17	15	11
Number of transactions done (in Lakhs)**	95.16	77.56	21.34
Total value of transactions (₹ in Crores)**	3,882.22	3,186.54	822.54
Number of Unique senders (in Lakhs)**	13.89	12.81	3.85

** Cumulative as on March 31, 2015*
*** For 2014-15*

YES LEAP

Further innovating on the Business Correspondent model, the YES LEAP (Livelihood Enhancement Action Program) is YES BANK's version of the Self Help Group (SHG) Banking Linkage program, wherein the Bank partners with Self Help Promoting Institutions to provide comprehensive financial services to SHGs.

Through YES LEAP, the Bank has reached over 12 Lakhs predominantly rural households in 250 districts through its 46 Business Correspondent Partners (BC). The BCs operate out of 570 low cost offices employing approximately 3,400 'feet on street' staff for outreach.

The Bank is enhancing the program by introducing tablets that track SHG payments and receipts, take pictures of SHG meetings and group recordings, play health and hygiene messages and track the movement of the agent.

All the SHGs linked to the YES LEAP program are women-centric SHGs, thus strengthening women empowerment in rural India and their financial security.

At present, YES LEAP is functioning in 17 states, and the Bank is looking to enter more states.

YES LEAP	FY 2014-15	FY 2013-14	FY 2012-13
Number of Business Correspondents*	46	35	26
Number of savings linked SHGs*	47,580	28,677	4,617
Total outstanding value in savings linked SHGs (₹ in Crores)*	47.4	27.2	9.79
Number of credit linked SHGs*	76,854	39,034	7,900
Total loan outstanding in credit linked SHGs (₹ in Crores)*	1,248	647.2	155.24

** Cumulative as on March 31, 2015*
*** For FY 2014-15*

YES Joint Liability Group

YES Joint Liability Group (JLG) is the Bank's latest initiative to provide banking services to the bottom of the pyramid in rural, semi-urban and urban India. The initiative is based on the Joint Liability Group methodology where in the term loans provided to individual members of a JLG is provided for income generation and achieving social development. Through the product, the Bank will provide direct financing, in partnership with other institutions such as NBFC microfinance institutions, who have a wide network in India to reach to the most needy and financially excluded segments.

YES SAHAJ

To reach the millions at the bottom of the pyramid in the farthest corners of the country with banking services, it has become necessary to develop innovative solutions that can overcome the limitations of traditional banking. With this aim, YES BANK developed YES SAHAJ as an innovative, low cost Micro-ATM that marries technological innovation, India's strong mobile penetration with existing principles for mobile banking and the BC model. YES SAHAJ also acts as a key platform for the collection and remittance operations of YES LEAP and YES MONEY.

YES SAHAJ has processed over 8.2 lakh transactions with an aggregate value of over ₹ 878 Crores till March 31, 2015.

YES SAHAJ	FY 2014-15	FY 2013-14	FY 2012-13
Total Service Officers/CSPs*	1,835	752	270
Total Value of Transactions (₹ in Crores)**	553.32	295.57	21. 24

** Cumulative as on March 31, 2015*
*** For FY 2014-15*

3.2 Scaling Up Impact At The Bottom Of The Pyramid

During the reporting period, YES BANK established new alliances and raised funds from international lenders to scale up its banking offerings in microfinance, SHG lending, MSME lending and agri-business development.

In addition, the Bank launched several training and awareness programs targeted at enhancing livelihood enhancement and sustainability practices among MSMEs and agriculture sectors.

Scaling up YES BANK's Lending to Rural Women Self Help Groups

In a major boost to YES BANK's lending to the bottom of the pyramid in rural and urban India, the Bank raised USD 200 Million in an unsecured loan facility from the regional development financial institution – Asian Development Bank (ADB).

The Bank shall utilize the funds to lend the Indian rupee equivalent amount to finance working capital and investment loans targeted towards small farm households and rural women in SHGs.

ADB will additionally provide a capacity development technical assistance grant of up to USD 1 Million, which the Bank would use towards capacity building, improving financial literacy of women borrowers and for leveraging its highly successful YES LEAP program for agriculture value chain integration.

"ADB's capital investment and technical assistance will provide sustainable finance to low income women and their families. In addition to income generation via female self-help groups, the project targets small farmers to allow them to benefit from agricultural value chains and enhance their productivity through better access to markets and investment finance."

Todd Freeland, *Director General, ADB Private Sector Operations*

"This significant commitment from ADB, reiterates our focus towards responsible banking and furthering the financial inclusion agenda in our country. YES BANK has been a pioneer in rural banking through its award winning YES LEAP and YES MONEY programs, and this loan from ADB will provide further acceleration as we aim to achieve our long-term goals of scaling our agribusiness and SHG loan growth."

Rana Kapoor, *MD & CEO, YES BANK*

YES BANK boosts its lending to the MSME sector

According to the World Bank, viable and addressable demand for the MSME sector lending in India debt surpasses supply by USD 48 Billion, a shortfall that holds back the transformative effect a thriving entrepreneur class can have on a developing economy. This gap is particularly pronounced in India's low income states, where approximately two-thirds of the MSME debt gap resides.

In a move that will significantly scale up its lending capacity to the vital MSME sector in India, YES BANK signed a significant Memorandum of Understanding with the Overseas Private Investment Corporation (OPIC), the development finance institution of the United States Government, to explore OPIC financing of up to USD 220 Million, to increase lending to MSMEs in India. Specifically, USD 100 Million of the financing would be used to support either Micro-SMEs or SMEs in underserved rural and urban markets. US based Lender Wells Fargo Bank, N.A, would act as sponsor and co-lender to the project.

Significantly, this is the first MoU signed by OPIC with an Indian financial institution since the formation of a new Government at the Centre. The MoU reinforces the faith reposed by global development finance institutions in YES BANK's inclusive business model, and will further boost the Bank's focus on the MSME sector, generating a multiplier effect on job creation and consequently on the Indian economy.

The MoU was signed by Elizabeth Littlefield, OPIC's President and CEO, traveling with the American President Barack Obama on his historic visit to India for its Republic Day celebrations in 2015.

(From left) Arun Agrawal (Group President, IBD, MNC and Transaction Trade Banking), Elizabeth Littlefield, (President and CEO, OPIC), Rana Kapoor, (Managing Director & CEO, YES BANK), and H.E. Richard Rahul Verma (US Ambassador to India) at the signing of the MoU in New Delhi

In addition to tying up critical funding sources for boosting its lending to the economically vital MSME, agriculture and SHG sectors, YES BANK launched several key initiatives that aimed at raising awareness, financial literacy and training entrepreneurs and professionals in these sectors.

YES BANK partners with KPMG and Global Reporting Initiative (GRI) to launch the Business Transparency Program initiative for the MSME Sector

To enhance business transparency and financial bottom lines in the MSME sector in India through triple bottom line reporting and accounting, YES BANK partnered with GRI and KPMG to conduct the Global Reporting Initiative Business Transparency Program (GRI BTP) for its Small and Medium Enterprise (SME) clients.

Under the Program, KPMG, which is GRI's certified partner to conduct this workshop in India, would help SMEs in saving costs, get global visibility, provide a dashboard to monitor and review critical non-financial parameters, develop internal capacities for sustainability reporting, provide a customized tool for identifying critical sustainability issues and prepare a sustainability report in line with the latest GRI G4 framework.

Given the Bank's conviction towards Sustainable Development, the entire financial commitment for the program was borne by YES BANK. Depending on the results of this pilot for six SMEs, the Bank will look to expand this project to other clients.

3.3 Sustainable Investment Banking

Sustainable Investment Banking (SIB), the Bank's knowledge-based advisory and investment banking practice in the clean energy sector scaled up its existing mandates during the year and partnered with key national and global stakeholders to enhance YES BANK's presence in this space.

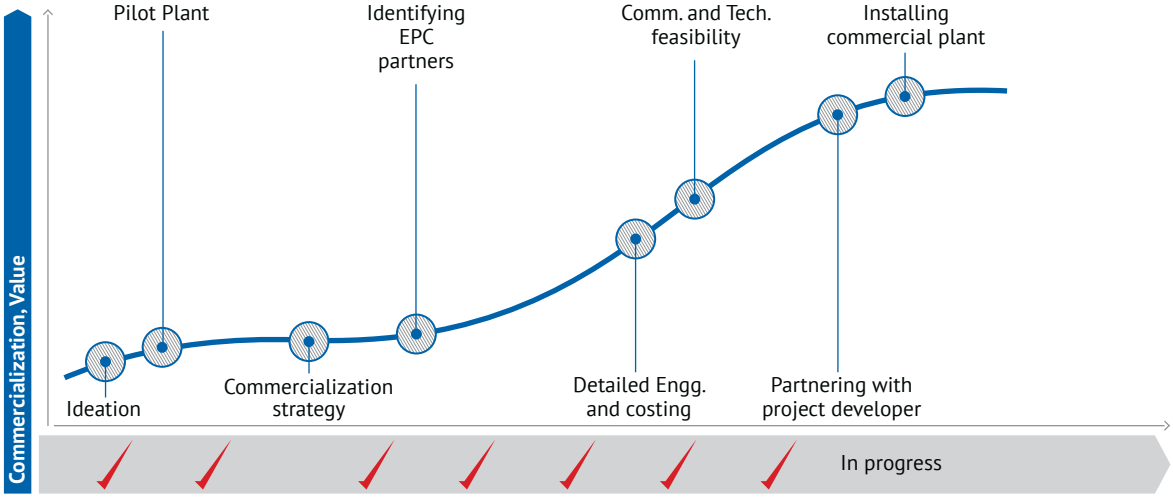
Commercializing Australian Clean Coal Technology in India

India has a large demand-supply mismatch in thermal coal production, and power plants suffer from a general unavailability of superior quality coal. In this context, Coldry technology, a clean coal innovation, developed and patented by the Australian company Environmental Clean Technologies (ECT) offers an efficient and cost-effective solution.

YES BANK had engaged with ECT in the previous reporting cycle to bring the technology, which can produce energy-rich thermal coal equivalent fuel that has ~80% less moisture content and ~280% higher calorific value, into India.

Working across the stakeholder spectrum, the SIB team has made considerable progress in the commercialization of this technology in India.

Roadmap for commercializing Coldry Process



SIB's key actions during the reporting period were:

- Partnering with Indian EPC players for delivering high quality, economically feasible Coldry plants in India and globally – SIB advised ECT in partnering with Thermax Ltd for indigenous design and engineering of the plant, resulting in a 60% reduction in capital expenditure cost and enabling the technology to become commercially viable

- SIB is advising ECT for setting up the first commercial demonstration plant in India and crossed two important milestones:
  - Identification of Project Partner – ECT is in advance stages of discussions with Neyveli Lignite Corporation and National Mineral Development Corporation for setting up the first commercial Coldry/Matmor plant in India. SIB advised ECT in negotiating the partnership leading to signing of a tripartite agreement
  - Working with ECT and Thermax, SIB assisted in developing detailed engineering and costing, and developing the project's technical and commercial feasibility

SIB is now working closely with ECT to execute definitive documents with various parties for installing the first commercial plant in India.

YES BANK Recognized as Knowledge Partner at the RE-INVEST 2015

The inaugural Renewable Energy Global Investors Meet and Expo (RE-INVEST 2015), organized by the Ministry of New & Renewable Energy (MNRE), Government of India, is the first major platform for investment promotion in the Renewable Energy (RE) sector, connecting the global investor community with RE stakeholders within India.

In a clear demonstration of its commitment to the Renewable Energy sector, YES BANK was recognized as the pro-bono Knowledge Partner for this key summit held in February, 2015 in New Delhi.

Inaugurated by the Prime Minister of India, Shri Narendra Modi, the Summit saw participation from key ministers of the Union Government, over 200 investors, 350 exhibitors, 2,000 delegates, from across 40 countries, including representatives from the RE industry, manufacturers, global financial institutions, public and private sector enterprises, regulatory authorities, central and state governments, research institutions and academia. The Bank worked closely with the Ministry and the Indian Renewable Energy Development Agency (IREDA) which played a key role in its success.

The 3-day Summit received Green Energy Commitments (GEC) worth 277 GW from 293 domestic and international organizations. At the Summit, the Bank announced the launch of India's first Green Infrastructure Bonds, and became the first private sector bank to make a commitment of funding 5,000 MW of RE projects.

Piyush Goyal [Minister of State (Independent Charge), Power, Coal and New & Renewable Energy, Government of India], Michael Bloomberg, (Founder & CEO, Bloomberg L.P), The Baroness Sandip Verma, (Parliamentary Under-Secretary, Department of Energy and Climate Change, UK), Ajay Shriram, (Chairman & Senior MD, DCM Shriram Limited), Rana Kapoor, (Managing Director & CEO, YES BANK), and Vineet Mittal, (Co-Founder and Managing Director, Welspun Energy) at the Plenary Session 'India – The New Investment Destination for Renewable Energy'

Rana Kapoor, (Managing Director & CEO, YES BANK), with Piyush Goyal, (Minister of State (independent Charge), Power, Coal and New & Renewable Energy, Government of India)

In addition to the commitments, YES BANK's key personnel, including Rana Kapoor, Managing Director & CEO, participated and moderated high level panel discussions and released a knowledge report on RE investments in India.

YES BANK's role at this crucial Summit centred on:

1. Thought Leadership: Detailing out the agenda, themes of discussion and participants, and detailed inputs for the theme paper, investor guide and other knowledge materials
2. RE Investors: Garnering investors across segments like global RE, bilateral and multilateral organizations, foreign banks in India and industry leaders
3. RE Investor Facilitation Cell: Working in close coordination with IREDA and DIPP-Invest-India team for activating and streamlining the RE-Investor Facilitation Cell
4. Green Energy Commitments (GECs): Catalyzed GECs from YES BANK's clients amounting to more than 15 GW of Solar Energy commitment and 20 MW of Hydro Power
5. Shared a comprehensive list of suggestions to MNRE for mobilizing investments in the RE Sector, especially in solar power
6. Streamlining the marketing plan: Advising and compiling a comprehensive marketing plan to maximize media outcome and impact

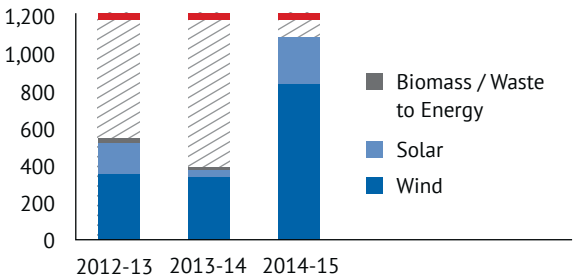
3.4 Financing for a Positive Climate Action

In line with YES BANK's belief that climate change is an opportunity to spur the development and adoption of clean and renewable sources of energy, the Bank has worked towards integrating positive climate action into its business strategy, operations, reporting and disclosures, risk frameworks, and business portfolio.

YES BANK has one of the largest portfolios in renewable energy in the private banking space, and scaled up its lending to key renewable energy projects in wind, solar and biomass, executing some of the largest deals in this sector. During the year, the Bank made commitments to further enhance its lending in this space at key global platforms, such as the UN Climate Summit in New York City and RE-INVEST Summit, organized by the Ministry of New and Renewable Energy, Government of India.

YES BANK's Renewable Energy lending Portfolio

(in MW)



Key Transactions of the Bank during the reporting period include:

- ✓ Underwriting a term debt of ₹ 240 Crores for a 82.4 MW wind power project
- ✓ Underwriter of Term Debt of ₹ 271 Crores for setting up 56 MW wind power project in Madhya Pradesh
- ✓ Underwriter of Term Debt of ₹ 200 Crores for part refinancing 45 MW wind power project in Maharashtra
- ✓ Part Underwriter of Term Debt of ₹ 600 Crores for setting up a 170 MW wind power project in Madhya Pradesh
- ✓ Part Underwriter of Term Debt for setting up a 100 MW solar power project in Rajasthan
- ✓ Underwriter of Term Debt of ₹ 157.5 Crores towards the project debt for 31.5 MW wind power project in Maharashtra
- ✓ Underwritten rupee term debt facility of ₹ 684 Crores for setting up 218.4 MW wind power project
- ✓ Underwriter of Term Debt of ₹ 1054 Crores for setting up 106 MW wind and 110 MW solar capacity
- ✓ Underwriter of Term Debt of ₹ 160 Crores for setting up 30 MW solar capacity
- ✓ Underwritten rupee term debt facility of ₹ 58.4 Crores for 10 MW solar power project in Karnataka
- ✓ Underwritten term debt of ₹ 111 Crores for 26 MW Wind Power Project

YES BANK commits a target of funding 500 MW of clean energy every year at the UN Climate Summit

In a major boost towards its commitment to RE sector in India, YES BANK made a major announcement for funding 500 MW of clean energy every year, on the occasion of The United Nations Climate Summit 2014 launched by the UN Secretary General, Ban Ki-Moon at New York City in September 2014.

With an upward trend in clean energy market in India and an additional capacity of 3000 MW added every year, the Bank holds a leadership position in this space, funding almost 15% of this additional capacity, averaging at 380 MW per annum.

The UN Climate Summit, attended by over 120 Heads of States, representatives from all UN Member States, and local and national leaders from the public and private space in finance, business and civil society, mobilized political will for a global statement by 2015 that limits the rise in global temperatures to less than two degree Celsius.

YES BANK was one of the few Indian corporates and among the only seven financial institutions representing the worldwide BFSI sector to be invited to speak at the Summit. The IFC Climate Finance Report released at the Summit, features the details of this commitment.

YES BANK and IFC Provide Thrust to Wind Energy

In a noteworthy example of YES BANK leveraging its global partnerships to expand its impact in the Renewable Energy space, YES BANK joined with the International Finance Corporation (IFC) to provide a USD 150 Million loan to Continuum Wind Energy for 170 MW project in Madhya Pradesh. Of the total loan, IFC would lend USD 50 Million with YES BANK providing the remaining amount. The project would generate 330 GW of power annually to reach 300,000 people and also help avoid nearly 270,000 tonne of carbon dioxide emissions per year.

Morgan Stanley Infrastructure Partners owns a majority stake in Continuum Wind Energy, which started operations in 2009 and has achieved an aggregate operating capacity of almost 150 MW, with 260 MW under construction and approximately 580 MW under development.

Peak hour shortages of electricity in India vary between 9 to 13% due to low generating capacity. The project would contribute to improving India's power generating capacity and help meet the Government of India's target of meeting 15% of its energy requirements through renewable sources.

YES BANK launches India's FIRST Green Infrastructure Bond issue

Given the Government's focus on India's Renewable Energy potential and its target of 175 GW of additional capacity installation by 2022, it is estimated that the Renewable Energy sector will require significant financing. Existing financing mechanisms face a number of challenges including sector limits, high interest rates and Asset-Liability mismatch, necessitating a need to evolve innovative financing mechanisms. Green Infrastructure Bonds are one such avenue to allow for financing to flow to vital green energy projects.

YES BANK took a leadership position in the banking sector in renewable energy financing by announcing the launch of India's first Green Infrastructure Bond for ₹ 500 Crores with greenshoe. The Bank made the announcement at the 1st Renewable Energy Global Investors Meet & Expo (RE-INVEST), where the Bank was a Knowledge Partner.

The Bonds were launched in the backdrop of YES BANK's commitment to fund 5000 MW of RE projects, making it the first private bank to make such a commitment at the Summit. The funds from the Bond's subscription would be utilized towards meeting this commitment.

The bonds, for a tenor of 10 years, will be used by the Bank to finance green infrastructure projects in renewable energy and energy efficiency projects including solar power, wind power, biomass, and small hydel projects. KPMG in India will be providing the Assurance Services annually, on the use of proceeds in line with the Green Bond principles.

Globally, Green Bonds issues amounted to almost USD 35 Billion worldwide in 2014 while the market in India is still nascent/non-existent. The first such green (infrastructure) bond issuance in India by YES BANK will catalyse the market for Green Infrastructure Bonds in India and allow responsible investors to facilitate funding towards Renewable and Clean Energy projects. Clearly demonstrating a latent demand for this mode of green financing in India, the Bank exercised its greenshoe option as the Bonds were oversubscribed and closed at ₹ 1,000 Crores.

3.5 Strengthening Sustainable Lending Practices

YES BANK has been one of the first commercial banks in India to voluntarily adopt a Policy to integrate environmental and social risks into its overall credit risk assessment framework.

The Environment and Social Policy (ESP) is based on international frameworks, such as the Equator Principles and IFC guidelines and is integrated with the overall credit

risk analysis framework at the Bank, ensuring the Bank lends responsibly.

In the reporting period, the Bank's key focus was on enhancing its internal systems and capacities for strengthening the Policy's implementation through high impact and focused training and awareness workshops for key personnel.

During the year, the Bank conducted training on Environmental and Social Risk Assessment (ESRA) for over 60 top management personnel and a core team of over 30 bankers from senior/mid management levels across business and risk units.

The Bank is also working towards developing an e-module to enable maximum coverage with a sectoral focus:

- ✓ Basic module focusing on wholesale banking
- ✓ Advanced module for Corporate Finance and Risk
- ✓ Comprehensive module with industry focused case studies and scenarios for Relationship Managers and Risk Managers

In addition, the Bank is planning to engage with its investor base on the business case for ESRA, and participating in platforms such as UNEP FI. Led by the YES SCHOOL of BANKING, areas of capacity building for internal stakeholders are being identified to enable seamless implementation of the ESP across the Bank.

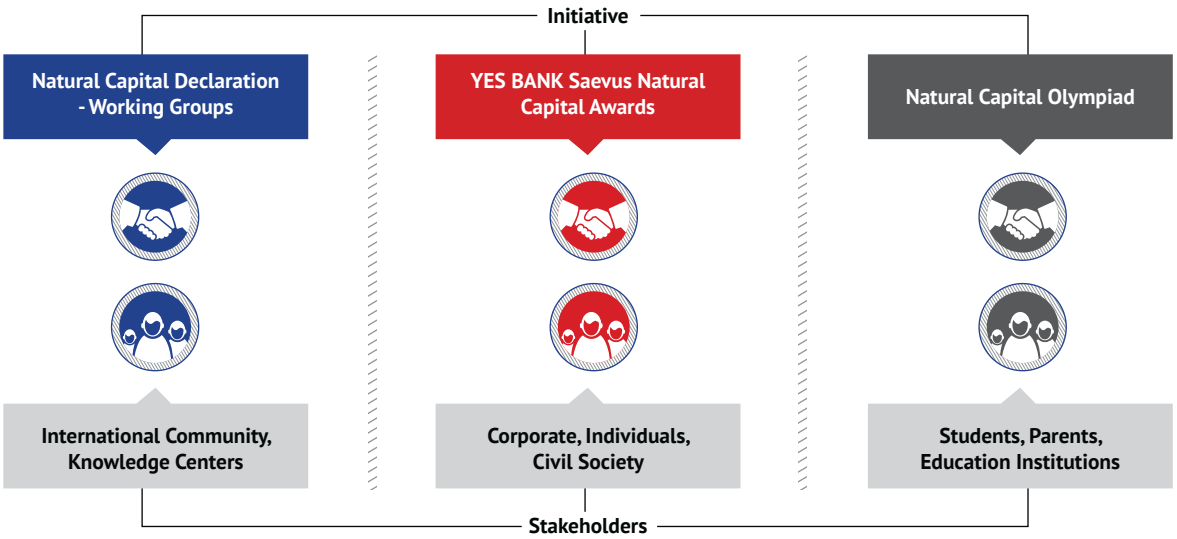
Apart from focused workshops for key implementers of ESP at the Bank, Responsible banking, along with the YES SCHOOL of BANKING, organize a series of comprehensive quarterly training programs for relevant business teams. During the reporting period, the workshop, led by a team of E&S specialists from IFC, was held for 32 senior executives from product and relationship teams in Corporate Finance and Risk Management. It focused on discussing tactical due diligence tools necessary for on-ground implementation of the ESP. The Bank plans to continue conducting workshops as part of this series in the next reporting cycle.

3.6 Natural Capital Initiative

YES BANK, taking a proactive approach in the natural capital space, had launched the Natural Capital Initiative in 2013 with an objective to bring together an ecosystem that would help develop an appropriate regulatory framework, disclosure mechanisms and reporting measures to integrate, value, and account for natural capital. The Bank had underlined this commitment by becoming the first Indian signatory to the Natural Capital Declaration (NCD).

The Bank implements the Initiative through three key projects that are aligned with different stakeholders, and has taken a holistic approach in identifying and engaging with them on pertinent topics.

Natural Capital Initiative @ YES BANK



Natural Capital Declaration Working Groups

Under the aegis of the NCD, YES BANK sits on two key Working Groups convened by the UNEP Finance Initiative and the Global Canopy Program, thus representing financial institutions from the developing world at the global thought platform on natural capital.

The Bank is the Vice Chair for Working Group III – Accounting for Natural Capital, which seeks to develop a methodological system for accounting for the impacts, benefits and dependencies on natural capital at the Company and portfolio level.

The Bank is also a part of the Working Group I – Understanding impacts and dependencies on natural capital, wherein the Bank has committed to collaborate on building an understanding of the impacts and dependencies of natural capital relevant to operations, risk profiles, customer portfolios, supply chains and business opportunities.

The Natural Capital Awards 2014

In 2013, YES BANK hosted the first, highly successful edition of the YES BANK Saevus Natural Capital Awards, a ground-breaking platform that mainstreamed the natural capital dialogue in India that showcases practices in natural capital consumption, accounting mechanisms and conservation within the industry and civil society. The aim of the awards platform is to trigger and lead debates on natural capital in India and influence the government towards ushering in positive policy-related changes.

In the second edition of the Awards, large corporate houses, 72 teams, and 732 photographers registered in the three categories of the Award –

- Eco Corporate Award – honoring organizations working for the environment, ecosystems and affected communities (in two sub-categories of 'Manufacturing' and 'Services' to reflect on the difference in approach)
- Nature Trailblazers Award - honoring original research content in areas of natural history and wildlife photography
- Pixel Perfect Award – Honoring photographs on wildlife and awe-inspiring natural phenomena

The second edition of the Awards has been conducted and winners shortlisted with the Awards ceremony slated to be held in the next reporting cycle.

The Natural Capital Olympiad

The concept of natural capital involves recognizing and ascertaining the economic value of nature's limited resources such as fresh air, clean water and unpolluted soil. Putting a value to natural capital is essential in quantifying the critical role they play in global economic activity. Thus, inculcating natural capital in popular thought is essential in instilling a sense of responsibility towards preserving it.

Children are the leaders and decision makers of tomorrow and there is a need to educate them on being more responsible towards the planet. Today's educational curriculum barely touches the concept of natural capital, and interventions are critical to fill this gap.

With this aim, YES BANK and its partner, Saevus magazine, launched the Natural Capital Olympiad on the World Environment Day in June, 2014, to mainstream natural capital concepts in an interactive and entertaining, yet competitive manner.

The Olympiad, extending from standards III to X, is endorsed by national educational boards and features questions on various topics, such as global warming, bio-diversity, conservation and climate change. The format has been designed in a manner that will encourage children to think, assimilate and logically reason as they attempt the questions.

The Olympiad is carried out in two stages:

- **School Round:** Held at respective schools with responses that are evaluated centrally. The finalists for the regional round are selected from the top scorers of the school round
- **Regional Round:** an interactive session with finalists of the school round

The national winners of the Olympiad are offered scholarships along with their certificates. In addition, the platform will also recognize educators who have created a learning environment for natural capital in their schools.

In the first year of the Olympiad, over 9,741 students from 109 schools participated. The Olympiad has officially partnered with the Central Board of Secondary Education, and schools such as the Army Public School, Air Force Public School and EuroSchool India. The Olympiad also partnered with the Bharti Foundation and Swades Foundation to open the competition, and share all the associated study material, to underprivileged children without any cost to them.

The Natural Capital Olympiad can be accessed at www.natureolympiad.com.

YES BANK launches the Natural Capital Symposium to promote Sustainable Finance

In addition to its Natural Capital Initiative, YES BANK organized the first Symposium on Natural Capital with an aim to promote sustainable finance in India within the financial sector, especially Natural Capital Accounting, in November, 2014 in Mumbai. The Symposium was an extension of the Sustainability Series, established by YES BANK, GIZ and UNEP FI in 2013.

Key speakers at the Symposium included Lauren Smart, Executive Director at TruCost Plc, UK, Prof Jeremy Williams, Director, Asia Pacific Centre for Sustainable Enterprise, Griffith University, Australia, and Michael Siebert, Consul General of the Federal Republic of Germany in Mumbai.

Michael Siebert, (Consul General in Mumbai, Germany), addressing the participants of the Natural Capital Symposium at Mumbai

The speakers highlighted the need for Indian financial institutions to begin recognizing natural capital risk, and to adopt natural capital accounting which gives a truer reflection of economic activity.

Leading public and private financial institutions, including SBI, ICICI Bank, IDBI, SIDBI, Axis Bank, IndusInd Bank, IL&FS, RBL Bank, Bank of India, EXIM Bank, DHFL, Handelsbanken and the Indian Banks Association participated in the symposium.

3.7 YES COMMUNITY – Together for a Better Tomorrow

YES COMMUNITY, YES BANK's unique community engagement program, serves as a knowledge exchange and awareness platform for communities around its branches on the socially and environmentally pertinent issues of the day.

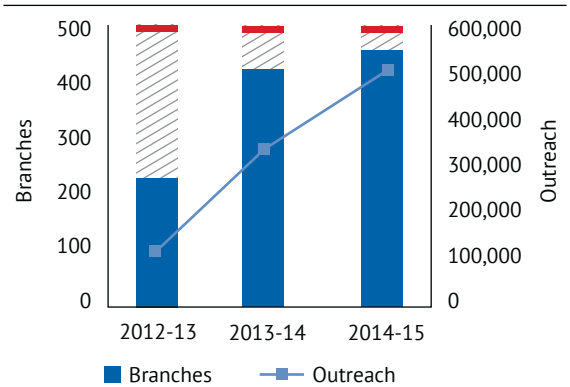
Acting as a community transformation center, each Bank branch works towards building strong relations with communities, thus taking the Bank's relationship beyond transactional. Through the YES COMMUNITY program, the Bank forges meaningful partnerships with community groups, non-profit organizations, governments and civil society.

Using an inbound and outbound model, the annual YES COMMUNITY calendar aligns regional, internal and external stakeholders for a centrally driven, robust execution at the national level.

The Program has witnessed phenomenal growth in the last three years, and touched 506,475 lives in this reporting cycle through 5,827 events held in and around the Bank's branches in all the states and union territories of India.

YES Community Growth

(Nos.)



Key YES COMMUNITY programs conducted

In the reporting cycle, YES COMMUNITY continued its focus on pertinent social and environmental issues of local and global significance. The Bank partnered with non-profits, local and state governments or specific departments in the Government, to scale up the impact of its programs and deliver on ground.

The YES COMMUNITY programs for the year can be broadly categorized as primarily having a social or an environmental focus.

Social Focus of YES COMMUNITY

For the International Day of Family, the Bank continued its successful partnership with HelpAge India, to conduct pan-India events for senior citizens with the theme 'Bridging the Generations', aimed at increasing awareness among youth and children towards issues faced by senior citizens, and enhancing the personal interactions between them.

A poster for the message writing competition 'YES Dil Se' to celebrate International Day of Families under YES COMMUNITY

Financial literacy remains one of the key focus areas for YES BANK in its role as a responsible financial institution. Through the impactful platform provided by YES COMMUNITY, the Bank marked International Literacy Day by focusing on raising financial literacy and awareness among children and youth. The Bank partnered with local schools and colleges and invited students, parents and teachers to bank branches, where they were taught various aspects of banking and personal finance. The branch tours helped them gain insights into bank operations and how they can manage their personal finances better.

School children participating in a YES COMMUNITY event on financial literacy at the Dera Bassi branch, Punjab

India is the largest democracy in the world, and giving an inviolable right to its citizens to exercise their vote is one of its greatest responsibilities. Since 2011, India celebrates January 25th every year as the National Voters Day to encourage the youth to participate in the democratic process.

YES BANK celebrates this occasion every year by interacting with communities around its branches across India, sharing with them nuances of India's governance processes and systems and answering their queries on voting for elections.

The Salt Lake, Kolkata, branch conducting a YES COMMUNITY event on National Voters Day

YES BANK is on-board the Clean India Campaign launched by the Prime Minister of India in 2014, and has integrated this national mission into the YES COMMUNITY platform.

In alignment with the Government's Clean India Campaign, the Bank launched the 'Saaf Suthra Bharat' campaign across its branches in India on October 2, Mahatma Gandhi's birth anniversary. Branches partnered with local municipal authorities, resident associations, educational institutions, business associations and NGOs to conduct cleanliness drives and awareness sessions on personal hygiene, waste reduction and recycling, and their role in making the national mission a success.

YES BANK employees from the Dimapur branch, Nagaland, organizing the Saaf Suthra Bharat campaign with community members at the Dimapur Railway Station

Partnering with YES FOUNDATION, the YES COMMUNITY platform conducted 'YES! i am the CHANGE' workshops across schools and colleges with the aim to ignite young minds to be responsible future leaders, by screening specially selected films from the second edition of the 'YES! i am the CHANGE' social film movement.

The initiative touched 58,900 students through 508 workshops. Every workshop ended with a 'Picture Pledge Drive' with students making personal pledges to contribute towards India's development.

Students participating in the 'YES! i am the CHANGE@ Schools' initiative at the Dhuri branch, Punjab under YES COMMUNITY

In the NCR region, YES COMMUNITY launched the 'I am the Ambassador of Change – Celebrating Young India' initiative in partnership with the NGO Enactus SRCC. The initiative, aimed at building self-belief and conviction among children to become ambassadors of positive change, conducted events in schools, juvenile homes, and other public and private institutions working with underprivileged children.

YES BANK partnered with the Institute of Liver and Biliary Sciences, New Delhi on the occasion of its 17th Annual Hepatitis Day, and organized mass screenings and testing camps for Hepatitis.

The event was inaugurated by Shri Najeeb Jung Hon'ble Lieutenant Governor, Delhi, accompanied by Dr. M. C. Misra, Director, AIIMS, New Delhi and Shri S. C. L. Das, Secretary, Health & Family Welfare, Government of Delhi.

National Road Safety Week

India has the unpleasant distinction of having the highest number of road deaths in the world, losing over 1 lakh lives every year. In this context, the National Road Safety Week, organized every year by the Government of India in the month of January becomes a critical event for raising awareness on safe driving practices.

Through YES COMMUNITY, the Bank participated in the national campaign and mobilized its branches to take this message into the community, under the campaign, "Safety is not just a slogan, it's a way of life".

YES BANK's Agartala branch leading a road safety awareness march under YES COMMUNITY, during the National Road Safety Week

CASE STUDY

Say YES to Road Safety Campaign, Goa

As one of India's most popular tourist destinations, the state of Goa has millions of tourists arriving from India and abroad each year. Given the tourism driven economy, the state has a high incidence of vehicular traffic at all times. A higher traffic has also resulted in a higher incidence of road accidents and deaths in the state.

Given this background, YES BANK has partnered with the Government of Goa to launch the 'Say YES to Road Safety Campaign', a state-wide campaign aimed at sensitizing Goans and visitors to Goa on safety consciousness and safe driving. As part of this bigger campaign, an initiative 'Helmet – Wear if you care', aimed at two wheeler riders was also launched.

Shri Arun Desai, (Director of Transport, Govt. of Goa)(3rd from Left), Shri Ramkrishna Dhavalikar, (Transport and Public Works Department Minister, Government of Goa)(4th from Left), Namita Vikas, (Senior President and Country Head, Responsible Banking, YES BANK)(5th from Left), launching the Campaign in Panaji, Goa in September 2014

Through a pan-Goa awareness campaign, the initiative sensitized Goans on responsible and safe driving behaviour through workshops, signature and awareness drives, and interactions with Resident Welfare Associations, Local Market Associations, Schools, Colleges, NGOs and other such relevant stakeholders.

Environmental Focus of YES COMMUNITY

Through YES COMMUNITY, the Bank has focused on mainstreaming 'Glocal' environmental issues within the community, such as climate change awareness, living environmentally responsible lifestyles and the importance of cleanliness.

Through partnerships with NGOs active in the environmental space, the Bank marked days of national and global significance, such as the World Environment Day, International Earth Day and International Day of Biodiversity.

Students from St. Peter's College, Agra, participating in an art competition to mark Earth Day as part of YES COMMUNITY

On World Photography Day, YES COMMUNITY became a platform for community members to connect with the Bank's Natural Capital Initiative. At its branches, the Bank conducted wildlife photography workshops for nature enthusiasts, and invited them to participate in the Pixel Perfect category of the Natural Capital Awards under the theme 'Wildlife conservation through Photography'.

YES BANK partnered with the Stepathlon and The Foundation to organize a 'Walk for Children', kicked off on Children's Day by social activist and actor Rahul Bose, in Mumbai.

YES BANK volunteers participating in the 'Walk for Children', organized by YES BANK in partnership with Stepathlon and The Foundation, at Mumbai

The Walk, part of the Bank's Children's Day celebrations witnessed an estimated 200 employees and students come together at the Worli Sea Face in Mumbai to raise funds for 'The Foundation's' initiative, Restoring Equality through Education & Advancement of Children (REACH). YES BANK contributed ₹ 100 for every kilometre walked by each individual to the initiative.

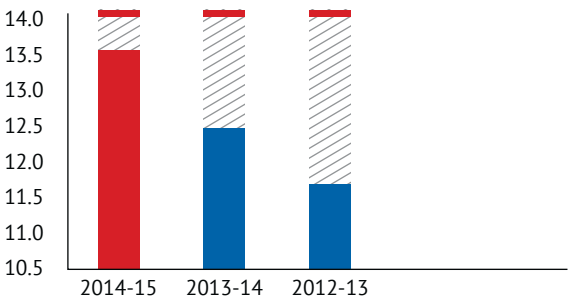
Deodutta Kurane, Group President, Human Capital Management, YES BANK, said, "Primary education is a significant pillar to empower and enable under-privileged children to achieve equality in our society. YES BANK is proud to partner the REACH initiative and contribute towards this important cause of ensuring that students from economically weaker sections of the society are enrolled in appropriate educational institutions."

3.8 Employee Payroll Giving

YES BANK continued its employee payroll program with Give India, an NGO aggregator bringing together NGOs across sectors and across India, and providing corporates a platform to donate part of their salary to a social or environmental cause of their choice.

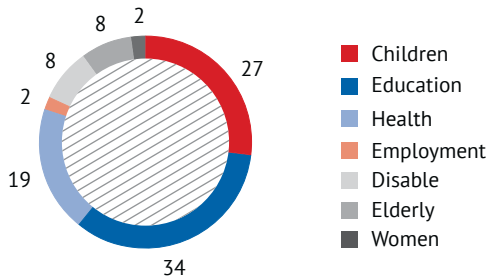
Employee Contribution

(₹ in Lakhs)



Employee contribution by cause

(%)



3.9 Scaling up Positive Impact

To augment the community impact of ongoing social responsibility projects, YES BANK launched several positive impact initiatives under its YES COMMUNITY umbrella.

The initiatives focus on the four broad areas defined in its CSR Policy.

- ✓ Livelihood security and enhancement
- ✓ Healthcare and social welfare
- ✓ Environment sustainability
- ✓ Arts, sports and culture

To ensure credibility and transparency of the reported impact figures, this year, the bank has engaged KPMG to monitoring its CSR framework and reporting mechanisms including due-diligence of implementing agencies on a need basis.

YES COMMUNITY – Rural Impact and Sustainable Enterprises

With an aim to bring positive socio-economic impact in India's rural hinterland, YES BANK, under its YES COMMUNITY umbrella, launched the RISE (Rural Impact and Sustainable Enterprises) program, wherein the Bank has committed to adopt villages in the states of Maharashtra, Madhya Pradesh, Kerala, Tamil Nadu and Rajasthan and provide focused interventions in women's health, education, access to safe drinking water, sanitation and overall social welfare.

Launched in partnership with state level non-profit and community based organizations, the program aims to create a holistic social impact through positive impact interventions. In the reporting period, the initiative impacted 1,47,226 lives, through the following interventions:

Activity	Beneficiaries
Healthcare	39,397 received assistance through 196 health camps
Access to safe and clean drinking water	Provided access to safe and clean drinking water to 45,000 people through household filters and 17,500 people through community water systems
Supplementary education	4,085 students enrolled through 116 Community Knowledge Centres
Household and community toilets	724 toilets commissioned to provide access to 41,000 people

Women from the Waghali village, Jalgaon District, Maharashtra, at the water purification system distribution under YES COMMUNITY – RISE, in February 2015

Students from Shyampur village, Sehore District, Madhya Pradesh, attending a free health camp organized by YES BANK under the YES COMMUNITY – RISE program

YES STEADY

Under the YES COMMUNITY umbrella, YES BANK launched its skilling initiative, YES STEADY (Skills Training and Enhancement for Development of Youth) in partnership with Deshpande Foundation to provide employability training to youth through targeted skill building initiatives. Karnataka and Telangana will be the focus states in the first phase of the initiative.

The initiative was launched during Development Dialogue, the annual International Social Entrepreneurship Conference of Deshpande Foundation, at Hubli, Karnataka held in February 2015. The Bank aims to scale these initiatives to reach other parts of the country in the next phases. Since the launch of the initiative, 431 students have been inducted and are undergoing 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 the Foundation's existing program.

A skill development workshop in progress under the YES COMMUNITY - STEADY program

Say YES to Sustainable MSMEs in India

Indian MSME sector has played a key role in India's economy, contributing to 45% of industrial output and 40% of its total exports.

To promote environmental sustainability and Occupational Health and Safety (OHS) within the Indian MSME sector, the Bank has launched the 'Say YES to Sustainable MSMEs in India', under the YES COMMUNITY umbrella, as a multifaceted intervention to help them become globally competitive.

The initiative, launched in partnership with the Foundation for MSME Clusters (FMC), is under an ongoing project funded by the European Union named 'Scaling Up Sustainable Development of MSME Clusters in India', with UNIDO, GRI, SIDBI, IICA and GIZ as partners.

In the first phase, the program supported MSME clusters in Punjab and Uttar Pradesh by enhancing their energy efficiency and improving their health and safety systems through sensitization workshops, health camps, providing drinking water facilities, first aid kits and distributing personal protective equipments. Under the initiative, OHS systems were strengthened in 50 foundry MSMEs, benefiting 907 workers, and energy efficiency projects were implemented in 20 MSMEs, improving their energy efficiency in the range of 15-20% and reducing coke consumption by 650 Metric Tons per annum, resulting in reduction of 1787 Metric Tons of CO_2 emission per annum (1 MT of coke emits 2.75 MT of CO_2), thus saving approximately ₹ 97.50 lakh (assuming price of coke at ₹ 15,000 per ton).

A health camp underway at a Kanpur foundry cluster as part of the 'Say YES to Sustainable MSMEs in India' program

3.10 YES CULTURE: Commitment to Promote India's Cultural Heritage

As YES BANK completes a significant threshold of 10 years of institutional excellence, it has developed into a knowledge-focused, technology driven, high quality and customer centric private Indian Bank.

In line with an unstinted commitment to nurturing and promoting India's cultural heritage, YES BANK launched 'YES CULTURE' with a single minded resolve of being a promoter of Indian culture at a domestic and international level, and generating strong support for Indian people and institutions, by propagating awareness and ensuring visible results for cultural development and growth.

India has marvelled historians and the world alike, over centuries, with its rich cultural heritage and now globally recognized talent in arts, culture, film and corporate world, which are a testimony of the respect India commands as a culturally evolved society.

YES CULTURE will engage and collaborate with governments, industry and academia, including key ministries of the Government of India, in line with its initiatives towards revising and sustaining India's cultural diversity.

YES CULTURE Organizes Heritage Walk in Mumbai

Under the aegis of YES CULTURE, YES BANK launched the 'YES CULTURE HERITAGE WALK' in Mumbai for its employees, including top, senior and junior management, with an aim to create the much needed awareness and communication around the rich cultural Heritage of India. YES BANK has also recently constituted the YES BANK YES CULTURE Award, and Javed Akhtar was the maiden recipient for 2014, for his contribution to literature over the past five decades.

The YES CULTURE heritage trail traversed the various cultural landmarks of Mumbai and highlighted the rich artistry and grandeur of these architectural marvels.

The YES CULTURE Heritage Walk held in Mumbai is the first in a series of Walks to be held across various cities of India to make citizens of India re-acquaint with their History and embrace the archaeological marvels in their immediate environment.

Alongside the YES CULTURE Heritage Walk, YES BANK also launched The Forgotten Unforgettable Photography Challenge, focused at reviving the lesser known heritage sites and historical facts across India on social media.

3.11 YES FOUNDATION – Building an empowered and equitable India

About YES FOUNDATION

YES BANK, as a major donor, contributes grants to YES FOUNDATION, which is a public charitable trust, governed by an independent Governing Council, with an objective towards creating social transformation.

YES FOUNDATION continues to work towards its vision of an empowered and equitable India, focusing on stimulating entrepreneurship and innovative use of media initiatives for social transformation, to enable India's inclusive growth and development.

'YES! i am the CHANGE' Social Film Movement

'YES! i am the CHANGE', the Foundation's first and largest program, is a nationwide movement to inspire, engage and empower youth to participate in India's social transformation through the impactful medium of films.

In 2014, the program's second edition, 'YES! i am the CHANGE' emerged as the largest social film movement in India and one of the biggest in the world, with 1,729 film entries and participation of 10,252 teams across all Indian states. The short films focused on the Millennium Development Goals, everyday community heroes and random acts of kindness. The Movement aims to be an open repository of social films for use by the development sector.

The top 10 filmmaking teams shortlisted by the Jury received a total grant of ₹ 25 Lakhs to make a one-minute PSA (Public Service Announcement) film on key social causes, with guidance from eminent filmmakers, for use by governments and not-for-profits for awareness generation.

[From Left] Kailash Surendranath (veteran ad maker), Namita Vikas, (Governing Council Member, YES FOUNDATION), Wouter Kolff, (Governing Council Member, YES FOUNDATION), Amrita Patel, (Governing Council Member, YES FOUNDATION), Radha Singh, (Chairperson of the Board, YES BANK), Rakeysh Omprakash Mehra, (eminent film director), S.L. Kapur, (Chairperson, Governing Council, YES FOUNDATION), and Prerana Langa, (CEO, YES FOUNDATION) launching the second edition of the 'YES! i am the CHANGE' Film Awards in Mumbai

Under the movement, the Foundation launched the 'YES! i am the CHANGE' Panel Discussion Series with events held in Mumbai and Delhi to highlight the role of media in accelerating social change.

(From third left) Nina Lath, (Managing Director, National Film Development Corporation), Bharat Patel, (Governing Council Member, YES FOUNDATION), Guneet Monga, (acclaimed producer), Namita Vikas, (Governing Council Member, YES FOUNDATION), Shabana Azmi, (acclaimed actor and social activist), Prerana Langa, (CEO, YES FOUNDATION), and Vikramaditya Motwane, (acclaimed director), launching the 'YES! i am the CHANGE' Panel Discussion Series in July, 2014 at Mumbai

Highlights from the 2014 Program:

- Total outreach to over 2,500 colleges pan-India
- 553 film workshops and screenings conducted across the country
- Participation of 10,252 teams from 1,000 cities and towns across all Indian states in the filmmaking challenge
- 1,729 film entries received
- Partnerships with not-for-profits, media schools and associations, including Media Trust, UK's leading communications charity, HelpAge India, GiveIndia, CARE India, MICA, Film & Television Producer's Guild, International Advertising Association (India Chapter), CNN-IBN Citizen Journalist and Press Club Mumbai, among others
- An eminent Jury, that included Nina Lath (Managing Director, National Film Development Corporation), Guneet Monga (Producer, Gangs of Wasseypur and the Lunchbox), Vikramaditya Motwane (Director, Udaan and Lootera), Pritish Nandy (veteran journalist and film producer), Dr. Nagesh Rao (President, MICA), Dr. Indu Shahani (ex-Sheriff of Mumbai and educationist), Shoojit Sircar (Director, Vicky Donor) and Kailash Surendranath (veteran ad filmmaker)
- Rakeysh Omprakash Mehra, eminent director of acclaimed films such as Rang De Basanti and Bhaag Milkha Bhaag felicitated the winners
- The films were widely showcased through CNN-IBN Citizen Journalist and social film festivals across the country
- Top films were screened for 58,900 children in schools across India on Children's Day, as part of YES COMMUNITY

Participants in the second edition of the 'YES! i am the CHANGE' social film movement, one of the largest social film movements in the world

'YES! i am the CHANGE' Responsible Youth Citizen movement

YES FOUNDATION, in partnership with YES BANK and Rotary International District 3140, launched 'YES! i am the CHANGE' Responsible Youth Citizen movement in February 2015 as a national movement to engage youth in India's social transformation.

As part of the movement, campaigns on women's safety, 'Swachh Bharat', and 'YES! i am the CHANGE' 2015 would be undertaken in a phased manner through a pan-India, multi-stakeholder partnership with local Municipalities, local Police, NGOs, Resident Welfare Associations (RWAs) and educational institutions.

(From left) Ajay Gupta, (District Governor, Rotary International District 314), Smriti Irani, (Union Minister for Human Resource Development), Namita Vikas, (Governing Council Member, YES FOUNDATION), and Prerana Langa, (CEO, YES FOUNDATION), at the launch of the 'YES! i am the CHANGE' Responsible Youth Citizen movement on February 2015 at New Delhi

The Movement aims to mobilize over one crore youth across the country to work towards women's safety, clean India and harness media to accelerate inclusive development. A force of two lakh youth ambassadors will be developed to actively promote the movement pan-India.

YES SCALE UP

YES SCALE UP is a capacity-building program designed to address the gap in business design and management training, and to aid not-for-profit organizations achieve scale and impact. The Foundation acknowledges the pivotal role that not-for-profit organizations play in the development of any nation and maximum value generation is possible by building capacity in such organizations.

The program will focus on issues of finance, marketing and communication, HR, project management to aid efficient reporting, investing, and fundraising. One key differentiator of this program is the mentoring and hand-holding support extended to the not-for-profit organizations for fostering effective internal management systems.

Annual Business Responsibility Report (ABRR)

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 – 400018
4.	Website	www.yesbank.in
5.	E-mail id	yestouch@yesbank.in
6.	Financial Year reported	FY 2014-15
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	As per National Industrial Classification – 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	
	i. Number of International Locations (Provide details of major 5)	One – The Bank has a representative office in Abu Dhabi, UAE.
	ii. Number of National Locations	The bank has 630 Branches, two National Operating Centers in Mumbai and New Delhi and 1,190 ATMs, as on March 31, 2015.
10.	Markets served by the Company – Local/State/ National/International/	YES BANK is a pan India Bank with branches in all states and Union territories in India. YES BANK has expanded its operations to Middle East in Abu Dhabi with an international representative office to enhance engagement with leading businesses and Global Indians in this region.

Section B: Financial Details of the Company

1.	Paid up Capital (₹)	₹ 417.74 Crores
2.	Total Turnover (₹)	₹ 13,618.46 Crores
3.	Total profit after taxes (₹)	₹ 2,005.4 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.78 %
5.	List of activities in which expenditure in 4 above has been incurred	i. YES COMMUNITY ii. YES RISE iii. Say YES to Sustainable MSMEs in India iv. YES STEADY v. Natural Capital Initiative vi. YES! i am the CHANGE social film movement

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 the 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

- ✓ DIN Number: 00320702
- ✓ Name: Rana Kapoor
- ✓ Designation: Managing Director & CEO

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	N/A
2	Name	Namita Vikas
3.	Designation	Senior President & Country Head - Responsible Banking
4.	Telephone number	+91 22 3347 9852
5.	e-mail id	responsible.banking@yesbank.in

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

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7[6]	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y[2]	Y	Y	Y	Y[2]	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y[2]	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?	N[1]	N[1]	N[8]	N[4]	N[4]	N[9]	N[6]	N[4]	N[7]
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7[6]	P8	P9
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	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	Y	Y	N[3]	N[5]	N[3]	Y	Y	N[3]

1. This is an internal policy of the Bank and available to employees of the Bank.

2. YES BANK has identified the unbanked and under-banked population at the base of the pyramid as a key marginalized and disadvantaged stakeholder group and considers Financial Inclusion to be a key business strategy. The Bank has based its policies on guidelines and aims of the Reserve Bank of India, Government of India, international finance organizations and peers.

   The Bank also adheres to the guidelines laid down by the Banking Codes and Standards Board of India towards Financial inclusion.

   The Bank has a separate Code of Commitment to Micro and Small Enterprises, which is available at www.yesbank.in.

3. The Bank has an internal audit unit that carries out the checks and balances on the Bank's adherence to its policies.

   In addition, as the Bank is under the purview of the Reserve Bank of India, its operations and activities are subject to review by the central bank.

4. The ESP is an internal policy of the Bank which is aligned with its risk assessment systems.

   The Bank also has a CSR Policy guiding its CSR implementation.

5. The Bank has several policies that focus on the rights of employees and external stakeholders. Some of the Bank's practices are audited by internal and external auditors, while some are audited internally only.

6. 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 Mission and Vision statements of the Responsible Banking practice underscore this priority and are available in the Bank's Sustainability Report for FY 2014-15, at www.yesbank.in/investor-relations/sustainability-report.html

7. The Bank also adheres to the guidelines laid down by the Banking Codes and Standards Board of India, and all regulations framed by the RBI. The Code of Bank's Commitment to Customers is available at www.yesbank.in. In addition, The Bank has an internal policy for product appropriateness which is available internally.

8. The policy is an internal policy of the Bank and available to employees of the Bank. However, the Bank's key employee practices are available online at www.yesbank.in/human-capital.html

9. The Bank's Environmental Management Policy is available on the Bank's website at www.yesbank.in/images/all_pdf/EMSPolicyLatest.pdf, in the home page.

   The Bank's complete response to its environmental priorities and commitments is available in its Sustainability Report, which is available on www.yesbank.in/investor-relations/sustainability-report.html under Investor Relations.

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

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

3. Governance related to BR

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

The Bank has a CSR Committee of the Board, which meets quarterly with the Managing Director & CEO, and Senior President & Country Head – Responsible Banking

In addition, The Managing Director & CEO reviews the Bank's BR performance with the Senior President & Country Head – Responsible Banking periodically. The Senior President & Country Head - Responsible Banking is also a part of the five member Management Committee which represents 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 www.yesbank.in/investor-relations/sustainability-report.html

The Bank publishes its Sustainability Disclosures as part of its Annual Report which is based on the GRI framework. The Disclosures for FY 2013-14 are included in this Annual Report and can be accessed at www.yesbank.in/investor-relations/annual-reports.html

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.

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 207 for Customer Complaints, page numbers 145 for Shareholder Complaints in this Annual Report.

   For Employee complaints, please refer to page 39 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. Inclusive and Social Banking – YES MONEY/ YES SAHAJ/YES LEAP/YES Kisan Dairy Plus/ Microfinance and Affordable Housing

   ii. Sustainable Investment Banking and Corporate Finance – Lending and advisory in RE/water etc.

   iii. Agri-business and Rural Banking

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 our services, the major resource consumed at the Bank is paper. During the year, the Bank has focused on reducing its consumption of paper through printing and managing its paper procurement practices.

   Through its focus on paperless banking, the Bank has witnessed a steady increase in mobile and internet banking, and more customers are moving towards electronic statements.

   The Bank's paper waste is disposed responsibly through third party vendors and recyclers. With regard to water consumption, the Bank's primary usage is for domestic purposes.

   The Bank consumes diesel to run diesel generators in branches in locations with electricity shortages. The Bank, as a rule, only procures energy efficient generator sets that consume less power, with reduced emissions and low noise.

   For more details on the Bank's initiatives to reduce its resource consumption, please refer to the Sustainability Disclosures FY 2014-15 within this Annual Report.

   ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**
   As the Bank's products are financial services, resource consumption during usage by consumers is minimal.

   The Bank has focused on increasing paperless banking and has achieved strong growth in mobile banking, internet banking and e-statements, thus reducing paper usage among customers.

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.**
   The primary resource consumption of the Bank includes printing paper, municipal water and diesel. The Bank entered into vendor agreements for responsible procurement of paper, and tracks consumption of resources to reduce wastage.

   The Bank's Strategic Sourcing Department communicated its practices and standards with suppliers and vendors, including pertinent clauses in procurement contracts on labor practices and human rights.

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 achieved success in using the Business Correspondent model for financial inclusion of the unbanked and under-banked population in rural and urban India. For YES MONEY, the Bank enrolled local retail and grocery stores as business correspondents providing remittance services to local communities.
   The Business Correspondents were hired from the local regions where they operated, and were trained in banking operations.

   The Bank is present in all states of India, and branches procure locally for stationary, food and beverages and other items required for normal operations. The Bank has worked with most vendors to bring them up to procurement standards and requirements.

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. The Bank's primary waste products comprised paper waste, municipal waste and electronic

waste. The Bank put in place mechanisms for the responsible disposal of waste through authorized third party vendors. The Bank has a national vendor for the disposal of e-waste and local vendors for disposal of paper.

The Bank's waste management practices have been documented in the Sustainability Disclosures FY 2014-15, which are a part of this Report.

Principle 3

1. **Please indicate the Total number of employees.**
   As on March 31, 2015, YES BANK has 10,810 employees.

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 1,935 permanent women employees on March 31, 2015

4. **Please indicate the Number of permanent employees with disabilities**
   The Bank, being an Equal Opportunity Employer, made 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?**
   The Bank has no permanent employee as members of any recognized employee association.

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

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	7	0
3.	Discriminatory employment	0	0

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**
   i. Permanent Employees
   During the reporting period, 9,275 employees were covered in 1,596 training programs which were divided into the 5 broad categories of: Behavioral and Leadership Skills, Employee Induction, Mandatory Policies and Compliance, Process Training and Product Training.

   ii. Permanent Women Employees
   1,627 women employees were imparted training during the year, which is over 84% of the Bank's total women employees.

   iii. Casual/Temporary/Contractual Employees
   Not applicable as the Bank only hires employees on a permanent basis.

   iv. Employees with Disabilities
   The Bank does not measure this metric.

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 Bank views the under-banked and unbanked population in rural and urban India as disadvantaged in terms of integration into India's mainstream economy, which leaves them vulnerable to economic and social exploitation.

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's unique CSR initiative called YES COMMUNITY reached communities around its branches across India on pertinent social and environmental issues. In alignment with the CSR Rules 2014, the Bank has launched several positive impact initiatives.

The Bank, through its Inclusive and Social Banking unit, has successful products and services that cater to the under-banked and unbanked populations in rural and urban India, such as YES MONEY, YES LEAP, YES Kisan Dairy Plus and YES SAHAJ.

For information, please refer to page numbers: 46 to 48 in our Annual Report 2014-15

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 implemented policies that covered various aspects of human rights specific to its employees as well as redressal mechanisms. The Bank included pertinent clauses related to human rights in its agreements with vendors, including their adherence to labor laws and employee rights.

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 in the area of 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.**
Yes. The Bank's Environmental & Social Policy incorporates environmental and social risks and imperatives into its lending decisions. The Policy is based on guidelines from Equator Principles and IFC, and ensures that the Bank abstains from lending to socially and/or environmentally irresponsible businesses or ventures. Guided by the policy, the Bank also engages with external stakeholders to adopt environmental best practices and influences.

The Bank's Environmental Management Policy guided the Bank towards achieving internal resource efficiencies through action and awareness. Through these overarching policies, the Company influenced employees, customers and vendors on pertinent environmental issues.

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. The Bank was a signatory to international protocols and initiatives, such as the UNEP Finance Initiative, CDP (formerly Carbon Disclosure Project), the Natural Capital Declaration and UN Global Compact, where the Bank has made commitments on global issues of environmental and social significance and reports its performance annually.

The Bank's Environment & Social Policy incorporates E&S risks into its lending practices, thus making its lending more sustainable.

Guided by its Environmental Management Policy, the Bank is the first Indian bank to be ISO 14001 certified for Environment Management System, demonstrating its commitment to mitigating its own environmental impact.

YES BANK is also the first private sector bank to provide a Green Energy Commitment (GEC) of financing 5 GW (5,000 MW) of renewable energy projects over the next five years. This initiative is to bolster proactive involvement of industry into clean energy portfolios and enable the Government to achieve its target of generating 100 GW of Solar, 60 GW of Wind, 10 GW of Bio-Energy and 5 GW of Small Hydro power by 2022.

The Bank also had issued India's FIRST ever Green Infrastructure Bonds, raising an amount of ₹ 1000 Crores. The amount raised will be used by the Bank to finance Green Infrastructure Projects in Renewable Energy including Solar Power, Wind Power, Biomass and Small Hydel Projects. KPMG, India will be providing the Assurance Services

annually, on the use of proceeds in accordance with the Green Bond principles.

The Bank's Sustainability Report is available online at http://www.yesbank.in/investor-relations/sustainability-report.html

The Bank's latest CDP response can be accessed at www.cdp.net.

The Bank's Communication on Progress 2014 to UNGC can be accessed at www.unglobalcompact.org/COPs/advanced/127871

3. **Does the company identify and assess potential environmental risks? Y/N**
Yes. The Bank assesses its environmental risk in multiple ways. The Bank's Environment and Social Policy sets the guidelines through which the Bank assesses the social and environmental risks associated with its lending.

79 of the Bank's locations, including 76 major branches and 3 corporate offices are ISO 14001 certified. As part of the certification, the Bank's Environmental Management Policy administers the assessments and mitigation of its environmental risks.

The Bank has a Reputational Risk Management Committee overseeing its preparedness for managing the E&S risks of its operations.

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?**
The Bank has a large portfolio in clean energy, water and waste that is highlighted in the Sustainability Disclosures, which are a part of this Annual Report. Several of the projects that the Bank has funded may be related 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. The Bank has one of the largest active debt and advisory portfolios in the Indian banking sector, in renewable energy, waste management and other sectors with significant environmental impact.

Internally, under its ISO 14001 certification, the Bank has several initiatives to rationalize resource consumption and reduce its ecological footprint.

YES BANK is also the first private sector bank to provide a Green Energy Commitment (GEC) of financing 5 GW (5,000 MW) of renewable energy projects over the next five years. This initiative is to bolster proactive involvement of industry into clean energy portfolios and to enable the Government to achieve its target of generating 100 GW of Solar, 60 GW of Wind, 10 GW of Bio-Energy and 5 GW of Small Hydro power by 2022.

The Bank also had issued India's FIRST ever Green Infrastructure Bonds raising an amount of ₹ 1000 Crores. The amount raised will be used by the Bank to finance Green Infrastructure Projects in Renewable Energy including Solar Power, Wind Power, Biomass and Small Hydel Projects.

KPMG will be providing the Assurance Services annually, on the use of proceeds in accordance with the Green Bond principles.

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. The Bank uses low noise and low emission diesel generator sets at its branches to lower its emissions.

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. ASSOCHAM
   b. CII
   c. USIBC - US India Business Council
   d. Indian Banks Association

   For a complete list of the Bank's associations, please refer to the Bank's Sustainability Report that can be accessed at www.yesbank.in

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)**
   Through broad level actions, the Bank actively works towards influencing public policy and thought leadership in India and internationally. The Bank has a member of several international protocols and initiatives that bring stakeholders together on pertinent causes.

   The bank is a signatory to the CDP, the UNEP Finance Initiative, UN Global Compact, and the Natural Capital Declaration and participates in national and international forums and discussions on issues relating to climate change, natural capital, sustainable finance and inclusive development.

   More details of the Bank's policy advocacy actions are available in its Sustainability Report that can be accessed at www.yesbank.in.

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's Inclusive and Social Banking unit has several products and services that cater to the Base of the Pyramid, and are aimed at providing banking services to the unbanked and under-banked population of India.

   The details of the Bank's programs and initiatives are included in the Sustainability Disclosures FY 2013-14 that are part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**
   The Bank's Food and Agribusiness Research Management (FARM) is a Business Unit that has several projects, products and services that cater to the Base of the Pyramid and provide banking to the under-banked and unbanked population.

   The Bank's initiatives on CSR and sustainable development are driven by Responsible Banking in alignment with pertinent business units.

   YES FOUNDATION, the Bank's social development arm, drives several key initiatives with a vision to build an 'Empowered and Equitable India'.

   These organizations work closely with their partners, which include business service providers, NGOs and others to deliver on the ground.

3. **Have you done any impact assessment of your initiative?**
   Yes. The socio-economic impact of the performance of the Bank's key products and services catering to the Base of the Pyramid is part of the Sustainability Disclosures within this Annual Report.

   The impact of the Bank's programs and initiatives driven by Responsible Banking and YES FOUNDATION are included in the Sustainability Disclosures, as part 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.**
   The Bank's unique community engagement initiative called YES COMMUNITY connected the Bank with local communities around its branches across India. The Bank has also launched several positive impact initiatives in alignment with the CSR Rules 2014. Details of the Bank's CSR spend is included in the Directors Report as a part of this Annual Report.

The Bank partners with community organizations, NGOs and Government bodies, on many of its programs to deliver on-ground impact.

The performance and impact of the Bank's programs and initiatives is included in the Sustainability Disclosures that are part 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.**
Through effective stakeholder engagement, the Bank ensures its community engagement initiatives are relevant, effective and replicable.

The Bank has in place the systems and reporting practices which ensures that the socio-economic and environmental impact of its programs is measured periodically. The CSR Committee of the Board meets in every quarter to review the successful implementation of its programs.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
Please refer to page numbers 207 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 has followed the highest standards of product and service responsibility. The Bank complied fully with the regulations of the RBI for financial products and is a member of the Banking Codes and Standards Board of India, an independent watch dog for service quality.

All notices are displayed at branches as per the requirements of the RBI. The Bank trained its staff in client-facing roles as a part of its Suitability and Appropriateness Policy.

A comprehensive list of customer policies that the Bank adheres to, are available on the Bank's website at www.yesbank.in.

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.**
There are no such cases against the Bank.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
The Bank's Chief Experience Officer drives the Bank's customer satisfaction initiatives and measurement and regularly conducts customer satisfaction surveys. Survey insights and the Bank's customer satisfaction performance are reported in the Bank's Sustainability Report, available on its website at www.yesbank.in.

Management Discussion and Analysis

Executive Overview

Macro-Economic and Industry Overview

As per IMF estimates (World Economic Outlook, January 2015), World GDP growth remained unchanged at 3.3% in 2014. Global economic growth continued to remain uneven – while advanced economies like the US, Eurozone, and UK are expected to have gained traction in 2014, emerging economies like China, Russia, Brazil, etc. are expected to see a slowdown in their respective economies. Overall, it appears that the pace of economic recovery is getting marked by specificity.

Two important financial market developments that stood out during 2014 was the appreciation of the US dollar and the sharp fall in global commodity prices.

On a real trade weighted basis, the US dollar gained by 7.1% in 2014 as stronger than expected economic growth and expectations regarding the normalization of monetary policy by the US Federal Reserve supported the currency vis-a-vis its major trading partners.

Global commodity prices saw a sharp correction with the benchmark CRB Commodity Index falling by 17.9% in 2014. The decline in commodity prices was led by crude oil, which fell by a significant 49.7% (Brent) during 2014. Decline in oil price is partly due to unexpected demand weakness in some major economies, especially China and the appreciation of the US dollar. A larger role was however played by oil supply factors, including the decision of the Organization of the Petroleum Exporting Countries to maintain status quo in its production levels despite the steady rise in production from non-OPEC producers, especially the US.

Differing economic outlooks were reflected in diverging monetary policies, which fed through into foreign exchange markets. Amid a flood of monetary easing by advanced economy central banks in recent months, the US Federal Reserve was the main exception. Market participants continue to expect that the Fed would start hiking its federal funds rate target in late 2015.

In contrast, the European Central Bank provided additional monetary stimulus through an expanded asset purchase program of EUR 1.1 trillion, which encompasses existing programs for asset-backed securities and covered bonds, and also includes additional purchases of bonds issued by euro area central governments, agencies and European institutions. Against the global backdrop of the disinflationary impact of plunging oil prices, weak demand and increasing foreign exchange market tensions, a wave of monetary policy easing was seen towards the last few months of FY 2014-15. The policy rates of four central banks - the ECB and the central banks of Denmark, Sweden and Switzerland are currently in negative territory.

The Indian economy started FY 2014-15 on a positive note with significant improvement in market and business sentiment, following the 'General Elections in May 2014'. Thereafter, a supportive global commodity price environment along with gradual improvement in governance resulted in moderate increase in economic output. As per the new revamped series (with FY 2011-12 as the base year), GDP growth for FY 2014-15 is expected to come at 7.4% from 6.9% in FY 2013-14. Barring agriculture, mining, and trade, transport and communication services, all other sectors are expected to show improvement in their sectoral performance as per CSO's (Central Statistical Organization) advance estimate. Overall the improvement in headline GDP growth in FY 2014-15 is projected to be led by sectors like electricity, finance and manufacturing.

Inflation as measured by the CPI (Consumer Price Index) showed a substantial decline during FY 2014-15. After averaging close to 10.0% over a period of six years between FY 2008-09 till FY 2013-14, average CPI inflation fell to 6.0% in FY 2014-15. Food inflation moderated considerably, aided by a limited increase in minimum support prices for food grains, muted rural wage growth and the government's offloading of foodstocks. Sharp drop in crude oil prices helped moderate fuel inflation, though hikes in excise duty

limited the pass-through of global oil prices to domestic retail prices. The central bank's strong anti-inflationary stance and the declining trend in the fiscal deficit bode well for core inflation, which has remained below 5% since November 2014.

The disinflationary momentum was also manifested by WPI (Wholesale Price Index), which has remained in the negative territory since November 2014 and has averaged at 2.1% during FY 2014-15 vis-à-vis 6.0% in FY 2013-14.

India's external sector vulnerability, which came to the forefront in the first half of FY 2013-14 saw further improvement after the significant compression in the second half of FY 2013-14. After correcting to 1.7% of GDP in FY 2013-14, the current account deficit (CAD) is expected to improve towards 1.3% in FY 2014-15 as per the Economic Survey presented by the Finance Minister in February 2015. The expected improvement in CAD is largely on the back of slide in global commodity prices since June 2014.

Even as the government is expected to meet the headline fiscal deficit target of 4.1% of GDP in FY 2014-15, the quality of fiscal adjustment remained a concern. With shortfall in gross tax revenue and disinvestment receipts, the government is expected to compensate by pruning its productive capital expenditure.

During FY 2014-15, the Indian rupee traded in a band of 58.46-63.68. The currency remained below the 60 level to a dollar after the announcement of the general election results in May 2014, as the underlying portfolio inflows in both equity and debt instruments were seen to be supportive. Thereafter, rupee started to depreciate in a very gradual fashion closing the financial year at 62.50. The mild depreciation in rupee occurred despite a benign global commodity price environment resulting in compression of the trade deficit and robust surplus on the balance of payments account. As per the Economic Survey tabled in February 2015, the government expects a BoP surplus of USD 26 Billion in FY 2014-15. The moderate depreciation in rupee can be attributed to RBI's continued dollar purchases from the market and also the significant appreciation in the US dollar – the DXY Index, which tracks nominal movement in the US dollar against a basket of six major currencies, gained by 22.8% during FY 2013-14.

As per the new revamped series (with FY 2011-12 as the base year), GDP growth for FY 2014-15 is expected to come at 7.4% from 6.9% in FY 2013-14. Barring agriculture, mining, and trade, transport and communication services, all other sectors are expected to show improvement in their sectoral performance as per CSO's (Central Statistical Organization) advance estimate.

On the monetary policy front, after increasing repo rate by 25 basis points to 8.00% in January 2014, the RBI maintained status quo till December 2014. With CPI inflation trajectory turning out to be lower than RBI's estimates, repo rate was lowered by 25 basis points to 7.75% in January 2015. This was followed by another 25 basis points cut to 7.50% in March 2015 on the back of further improvement in inflation trajectory after the revamping of the CPI series by the CSO (with 2012 as base year) and quality fiscal adjustment in the FY 2015-16 Union Budget presented in February 2015.

Liquidity conditions remained in the deficit during FY 2014-15. Liquidity deficit (after adjusting for daily CRR maintenance) deteriorated from ₹ 114,095 Crores in end-April 2014 to ₹ 126,075 Crores in end-July 2014 on account of seasonal factors like increase in currency in circulation. Thereafter, liquidity remained broadly comfortable with the deficit easing to ₹ 43,545 Crores in end-February 2015 with pickup in government spending and dollar purchases done by the RBI. Between April 2014 and January 2015, the RBI had infused ₹ 245,527 Crores through its various foreign exchange operations. This more than compensated for the ₹ 144,160 Crores drain on liquidity coming from increase in currency in circulation in FY 2014-15. However, liquidity tightened during the month of March 2015 as the government curbed expenditure to meet its FY 2014-15 target for fiscal deficit and also on account of the seasonal tightness coming from Q4 advance tax outflow from the banking system. The year-end liquidity deficit was ₹ 111,869 Crores as of March 31, 2015.

Business Segment Overview

Corporate Banking

Your Bank's Corporate Banking (CB) division provided comprehensive financial and risk management solutions

In line with the global aspirations of clients, your Bank created a widespread partner network of over 950 international banks, financial institutions and official bodies. Your Bank executed marquee transactions across products and geographies through its global banking partner network

to large corporate clients with a turnover greater than ₹ 500 Crores. Your Bank's professional relationship experts based across all major metros and Tier-I cities. Forged value-based long-term relationships with the top management and promoters of almost all large corporate houses in India.

Your Bank strengthened its customer relationships through a 'core relationship management approach', which helped create multiple touch-points with clients through specialized product managers.

Your Bank offered client and industry-specific products in a timely manner 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.

Your Bank's CB division offered comprehensive client focused Corporate Banking 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 remained committed to continuous improvement in terms of service, risk management and product portfolio through in-house research, benchmarking and client orientation.

Commercial Banking

India's emergence as a global manufacturing hub and service provider has translated into a steady growth in your Bank's commercial banking segment. Catering to high-growth clients with a turnover of ₹ 100 – 500 Crores. Your Bank adopted a differentiated go-to-market and segmented client relationship management strategies to address the needs of this growing segment.

Given the high-growth nature of your Bank's clients, the Commercial Banking group adopted a 'Lifecycle Banking' philosophy and through a 'Money Doctor' approach, balanced client requirements and the Bank's risk strategies, offering a customized product suite, comprising Capital Market services, M&A Advisory, Corporate Finance and Project Advisory in addition to general banking products like Working Capital, Term Funding, Liabilities, Investments, Insurance, Trade Finance, Cash Management and Treasury, among others. Your Bank helped forge a number of success stories across industries, such as media and entertainment, consumer goods, gem and jewellery, life sciences and healthcare, food, agribusiness and auto ancillaries.

Besides, the Commercial Banking group addressed the linked and ancillary businesses of Corporate Banking clients, ensuring relationships deepening, retention, cross sell, referral-led business origination and capital efficiency.

This differentiated positioning made it possible for your Bank's Commercial Banker to evolve into a trusted advisor.

Government Relationship Management

At YES BANK Limited, the Government Relationship Management (GRM) team comprehends the financial needs of Central and State Government undertakings and affiliates. The division leveraged its Knowledge Banking approach and technology leadership to deliver secure and user-friendly solutions.

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 600 entities across India. The GRM Group remained committed to the core values of client origination, innovation and superior service.

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 SA offering, complementing your Bank's efforts to build a sustainable CASA book.

Indian Financial Institutions Relationship Management

Your Bank's Indian Financial Institutions (IFI) group interfaces with key domestic financial institutions. The team primarily engages in offering banking solutions to domestic banks, non-banking finance companies, housing finance companies, micro finance institutions, insurance companies, insurance brokers, mutual funds, financial institutions, cooperative banks, regional rural banks and capital market participants (stock exchanges, stock brokers, commodity exchanges, commodity brokers, qualified foreign investors, foreign institutional investors, private equity funds, provident funds, pension funds, 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.

During FY 2014-15, your Bank successfully raised India's maiden 'Green' Infrastructure Bonds aggregating ₹ 10 Billion. As a strategy to reduce 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.

In line with the vision to build the 'Finest Quality Bank of the World in India' your Bank grew the number of domestic relationships exponentially, enhancing granular liability through a pioneering technological platform and following breakthroughs:

- ✓ 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, among other such customized services
- ✓ Online RTGS/NEFT collections (e-collections) and National Automated Clearing House (NACH) offering which found favor among NBFCs, mutual funds, brokers and insurance companies
- ✓ Correspondent Banking with cooperative banks by offering sub-membership of RTGS and NEFT services, improved and automated solutions for cheque clearing under CTS, integrated ATM transaction solutions, collection of subsidy and grants under DBTL scheme, and integrated investment solutions viz. CSGL account services to benefit them and their customers

International Banking

In line with the global aspirations of clients, your Bank's International Banking Group has created a widespread partner network of over 950 international banks, financial institutions and official bodies. Your Bank executed marquee transactions across products and geographies through its global banking partner network.

YES-International Banking business group provides a complete suite of products (Debt, Trade Finance, Treasury Services, Investment Banking Solutions, Remittance Solutions, Financial Advisory and Global Indian Banking) to international customers. These products were offered through alliances with international banks and institutions in targeted geographies. Your Bank was rated among preferred partners by international institutions to meet their clients' banking requirements in India. The International Banking Division, in coordination with MNC Relationship, helped position your Bank as the preferred 'Host Country Bank' by leveraging its rich relationship capital.

In addition to active tie-ups with exchange houses in GCC and the ASEAN, the International Banking team

made inroads into key Western economies like the US and the UK. These alliances increased remittance flow through your Bank. YES-International Banking raised large-ticket offshore borrowings for your Bank and negotiated overseas trade transactions for your Bank's clientele. The Dual Currency, Multi-Tenor Syndicated Foreign Currency loan availed by your Bank during the year under review was widely subscribed to by global financial institutions and stands as a testimony to your Bank's ability to execute marquee deals. The loan was widely distributed, with investments received from 21 banks representing 14 countries across US, Europe, Africa, Middle East, Japan, Taiwan and Australia, with larger commitment coming in the two and three year buckets. Your Bank raised USD 200 Million during the year through Asian Development Bank, Manila towards augmenting its lending to small farmers and rural women in Self Help Groups. Your Bank also teamed up with Overseas Private Investment Corporation (OPIC), the U.S. Government's Development Finance Institution, by signing a memorandum of understanding to explore OPIC financing of up to USD 220 Million to increase lending to micro, small and medium enterprises (MSMEs) in India.

During the year, your Bank entered into an agreement with Asian Development Bank (ADB) to become a 'Confirming Bank' under ADB's Trade Finance Program, enabling Bank's customers to foray into Asian economies with a cover from ADB.

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.

Branch Banking

Your Bank provided a seamless banking experience with the objective to emerge as the 'Finest Quality Bank of the World in India'. Your Bank leveraged quality, state-of-the-art branch infrastructure, cutting-edge technology and a customer-centric approach. Your Bank's branches were strategically located in premium high-street locations, benchmarked with world-class design and accessibility to facilitate a consistent customer experience. The focus was not merely on facilitating transactions, but also in engaging, informing and involving customers in a personalized manner. Your Bank successfully graduated its branches to the next service-level as community centres facilitating community engagement, rather than merely serving as touch points. Your Bank's customers were served through more than 630 branches across 375 locations and 1,194 ATMs at the close of FY 2014-15 across all 29 States and 7 Union Territories of India.

Your Bank continued to expand its footprint to facilitate financially-efficient inclusive banking. While your Bank's branches were designed to cater to all customer segments under the 'One-Bank Model', Branch Banking customers – Liabilities & Wealth Management, Business Banking and Retail Banking – remained the most frequent users. Your Bank reinforced Branch Banking through a relationship driven approach that translated into a differentiated customer experience. Your Bank undertook numerous initiatives in FY 2014-15 to reinforce its commitment on Branch Banking.

Internet Payment Gateway (IPG)

Your Bank has completed its product offering in the merchant acquiring space by offering IPG services. IPG services will enable your Bank to acquire card transaction from the rapidly expanding e-commerce market and strengthen its foray into the digital banking space. Your Bank already offers POS solutions, Mobile POS and PC POS solutions to its merchants. This will help your Bank become the merchant's primary/transacting account and assist in acquiring current accounts especially in the growing e-commerce market.

Rupay Cards

Your Bank launched RuPay Debit Cards in association with NPCI. The first card launched under this program is the PMJDY Debit Card, which will assist in contributing to the Nation's vision of Financial Inclusion and allows the account to be used for receiving various subsidies. Your Bank will also seek mandates in the Government Schemes/Programs launched from time to time by the Government to enable them in their financial vision for the country.

YES INVEST

YES INVEST, your Bank's broking subsidiary started its operation for clients in FY 2014-15. The 3in1 product offering to the customers strengthens your Bank's CASA product suite. The introductory year saw a positive response from your Bank's customers with a number

availing the 3in 1 product. The overall average balances in the SA accounts linked with the 3in1 trading accounts is significantly more than the average SA balance.

ATMs

Your Bank has 1,194 ATMs and 35 Bunch Note Acceptors (BNA) as of March 31, 2015. Industry first initiatives like Discount Coupons, Card to Card transfer along with other functionalities like Stop/View Cheque status through ATMs and Talking ATMs were launched. Your Bank won two prestigious awards i.e. the Best ATM network in the mid-sized category banks by NPCI and FINNOVITI 2014 for innovation on ATMs.

Contact Centre

Your Bank has started an Outbound Contact Centre as an extension of branches to serve customers. The focus of the team in Outbound Contact Centre is to engage and involve customers by delivering banking services on phone. Currently it has extended this facility for its customers in top 10 locations.

Global Indian Banking

Your Bank has operationalized its first international Representative Office in Abu Dhabi on March 16, 2015.

Direct Banking

Your Bank focused on Direct Banking Channels including YES Mobile, the Mobile Banking platform which facilitates customers to make fund transfers and other payments like utility bills, DTH and mobile recharges, Real Time - Inter Bank funds transfer using IMPS. Your Bank also activated National Unified USSD Platform (NUUP) based services i.e. basic banking services like account balance and mini statement by just dialing *99# from the mobile phone. Your Bank also revamped the Retail NetBanking platform by offering new services, such as multiple Account Summaries, Quick links, Bank induced offers, Bills due, revamped Personal Finance Manager (Money Monitor), Standing Instructions service, Integration with IRCTC, OLTAS service and Coupon on eCom payments.

Retail Banking

In line with the objectives of quality, granularity and profitability in the loans portfolio, your Bank launched a number of retail banking asset products in FY 2014-15. Its customers could select from a wide array of retail loans products like: Secured Business Loans (erstwhile

Your Bank has 1,194 ATMs and 35 Bunch Note Acceptors (BNA) as of March 31, 2015. Industry first initiatives like Discount Coupons, Card to Card transfer along with other functionalities like Stop/View Cheque status through ATMs and Talking ATMs were launched

LAP), Car Loans, Two Wheeler Loans, Commercial Vehicle Loans, Construction Equipment Loans, Loans Against Securities, Tractor Loans, Gold Loans, Personal Loan Products and Home Loans. Your Bank continues to implement a refined focus and strategy to build the Home Loan Portfolio indigenously while continuing to distribute partner institutions' home loans as one of the channels.

Your Bank as a retail asset financier has identified 50 key locations and envisages penetrating deeply with superior product features. Your Bank's objective in FY 2015-16 would be to harness good quality granular retail asset portfolio and build long term relationship with these clients.

Business Banking

Your Bank supported small and emerging businesses, growth engines of the Indian economy, through a dedicated Business Banking unit.

The Business Banking unit catered to the entire banking requirements of small and medium businesses in identified sectors and meeting the funding needs of entities with a turnover of up to ₹ 100 Crores. Business Banking operates through highly dedicated and qualified workforce of ~700 people across 90 locations pan-India.

Your Bank has institutionalized different Business Units to provide highly specialized, segment wise and need based financial solutions under Business Banking viz. After viz. the content needs to be made into bullets as shown below:

- Commercial Business Banking (CBB) which provides comprehensive banking solutions to the Medium Enterprises with customized solutions

Your Bank was ranked No. 4 by Prime Database in the 'Private Issuers Category' of the Arrangers tables and was ranked No. 6 in the 'All issuers category' League table by Prime Database for FY 2014-15. Further, your Bank was ranked No. 5 by Thomson Reuters in the India Domestic Bonds league tables for CY 2014.

- Emerging Business Banking (EBB) which continues its thrust on the small entities through program based approach by leveraging Branch channel
- Agri Business Banking (ABB) with highly specialized team to focus on loans to direct and indirect agri enterprises.

Your Bank supported MSME customers dealing with large corporate (dealer or vendor) by meeting their funding needs through a focused Channel Finance team. This initiative helped MSMEs strengthen relationships with large corporate and sustain growth.

Your Bank has been consistently following the knowledge banking approach, which clearly distinguishes it from its peers in the MSME space. A dedicated team of Industry experts have been hired from the identified industry segment named as Strategic Business Unit (SBU) for better understanding of the identified Industry Segments and offering products and services as per the industry requirement.

Your Bank fostered growth, competitiveness and employment creation. A greater focus in lending to MSMEs and agri-linked businesses helped your Bank fulfil its priority sector lending requirements.

Your Bank also partnered with the NSIC, SIDBI, CRISIL, FIEO, Brickwork 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) was the driving force behind the conceptualization and seamless delivery of quality products and services. The Group specialized in core finance areas like Corporate Current Accounts, Cash Management Services, Capital Markets & Escrow Services and Trade Finance & Services, and Bullion (Gold & Silver) Trading provided under the aegis of the YES Transact brand. The TBG team comprised competent domain specialists from diverse backgrounds, personally interacting with customers to understand, address and service their strategic, financial and operating needs 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 end ERP's to provide seamless Receivables and Payables Solutions
- Innovative technological solutions for process automation and for integration of customers' and inter-bank systems
- Regulatory and International Trade Advisory
- Bullion (Gold & Silver) purchase, and fulfilling working capital requirement in form of Gold on Loan

The core group developed and implemented unique and customized product propositions across industry verticals. Your Bank exceeded customer expectations by offering an efficient transaction banking desk, continuously expanding its product suite through its Knowledge Banking-led strategy and strengthening its delivery channels to ensure superior services. The Unit has embarked on a focussed Digital strategy to build synergy among different verticals and enabling unique opportunities for clients, thus differentiating YES BANK Limited's product and service propositions.

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. 4 by Prime Database in the 'Private Issuers Category' of the Arrangers tables and was ranked No. 6 in the 'All issuers category' League table by Prime Database for FY 2014-15. Further, your Bank was ranked No. 5 by Thomson Reuters in the India Domestic Bonds league tables for CY 2014.

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 Loan Syndications (LS) team provides comprehensive loan syndication to the valuable clients of your Bank. Leveraging its strong sectoral expertise and market relationships, the LS team has successfully met clients objectives in achieving the most efficient debt structures, both domestic and foreign. They have contributed to the non-interest income of your Bank as well as helped in effective Balance Sheet Management through a regular churning of the asset portfolio.

- ✓ The LS team has successfully placed approximately ₹ 14,000 Crores (~USD 2.3 Billion) in the last financial year to its partner banks, NBFCs and financial institutions, within India as well as internationally. The clientele involved pedigreed players across the renewable energy, manufacturing and real estate spaces.

- ✓ The team's consistent performance has placed your Bank in the top 10 among the India Loans Mandated Arranger (₹) by Bloomberg for CY 2014.

Structured Credits Group

An ongoing challenge faced by the Indian banking industry is a decline in asset quality. Your Bank's Structured Credits Group (SCG) 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.

SCG employed multi-pronged resolution strategies, which included operational and financial restructuring, identifying strategic investors for the takeover of stressed assets, negotiating with borrowers for onetime settlement, recovering through the enforcement of security interest under the Securitisation Act 2002 and selling non-performing assets to asset reconstruction companies.

SCG's focus resulted in your Bank emerging with one of the lowest non-performing asset ratios in the Indian banking industry.

Investment Banking

Your Bank's Investment Banking team provides M&A and capital raising advisory services to large and midmarket corporate and financial sponsor clients. The Investment Banking team comprises high-powered dedicated professionals seamlessly integrated with the Bank's relationship groups.

During the year, the Investment Banking team consummated transactions across three key products – Mergers & Acquisition Advisory, Private Equity fund-raising and Equity Capital Markets across emerging

sectors including new age media, education and specialty retail. Your Bank was rated by a leading international publication as 'Bank of the Year' in India in the M&A Awards category. Some of the representative transactions consummated by your Bank's Investment Banking team during the year under review are as follows:

- Exclusive strategic and financial advisor to INOX Leisure Ltd for sale of their treasury shares amounting to ₹ 2,125 Million
- Book Running Lead Manager to the ₹ 1,200 Million IPO of Shemaroo Entertainment Ltd
- Book Running Lead Manager to the ₹ 10.2 Billion INOX Wind IPO which got oversubscribed 18.6 times
- Exclusive strategic and financial advisor to SKS Trust Advisors Private Ltd for sale of their stake in SKS Microfinance Ltd amounting to ₹ 1,750 Million
- Exclusive strategic and financial advisor to shareholders of Press2 Dry Cleaning & Laundry Private Ltd for raising private equity capital from ASK Pravi Private Equity Opportunities Fund
- Exclusive strategic and financial advisor to shareholders of Resinova Chemie Ltd for sale of majority stake to Astral Poly Technik Ltd
- Exclusive Advisor to Jagran Prakashan Ltd for acquisition of Music Broadcast Private Ltd ('Radio City'), SPA signed (pending closing)
- Exclusive strategic and financial advisor to Educomp Solutions Ltd for sale of majority stake in Gateforum Educational Services Private Ltd to ASK Pravi PE fund

Responsible Banking

In the digital age, global boundaries are fast merging, creating a large global village with a 'glocal' behavior and a need to balance growth with social and environmental imperativeness. In this highly 'glocalizing' world, innovation has emerged as a key metric to drive positive triple bottom line impact.

In its quest to achieving its vision 'To be the Finest Quality Bank of the World in India by 2020', your Bank emerged as a truly 'Glocal' institution and maintained its razor sharp focus on innovation to deliver on its responsibility as a financial institution, making Responsible Banking the core plank that cuts across functions and delivers sustainable development outcomes at both local and global levels.

Over the last one year, your Bank, under Responsible Banking unit, led various first to many initiatives that have delivered demonstrable results for its stakeholder spectrum. Strengthening its ties with global and national thought leaders, Responsible Banking produced key knowledge reports at significant platforms to drive policy advocacy on pertinent issues of the day, including:

- E-waste management in India – The Corporate Imperative
- Enabling Finance for scaling up Energy Efficiency in MSMEs
- Ganga: An inclusive multi-stakeholder approach
- Increasing Renewable Energy Investments in India: Realizing Synergies

At the international level, your Bank was part of the International Expert Panel guiding The Climate Group's study on off-grid energy business models in India.

During the year, your Bank strengthened its relationship with the UNEP Finance Initiative, the global partnership between UNEP and the financial sector, with the Bank's Chief Sustainability Officer elected as its Asia Pacific Chair. Your Bank is also elected to its Global Steering Committee and sits on the Board of its Banking Commission. Besides its extensive contribution on climate finance, it also worked on a UNEP FI report on systematic environmental risks.

Your Bank had launched the Natural Capital Initiative to develop an ecosystem for appropriate regulatory and business environment for natural capital, and was the first Indian signatory to the Natural Capital Declaration, and sits on its two Working Groups. Augmenting its Natural Capital Awards platform, your Bank launched

a nation-wide Natural Capital Olympiad to raise awareness among India's children and youth towards natural capital and biodiversity conservation. Towards building an environment for natural capital accounting in India, your Bank organized the Natural Capital Symposium under its Sustainability Series program.

Your Bank continued to be a benchmark institution for triple bottom line accounting and reporting, becoming the first Indian Bank to release a GRI G4 Sustainability Report for FY 2013-14. As the first banking sector signatory to the UN Global Compact, your Bank's Communication On Progress (COP) continues to be at GC Advanced level, the highest level of disclosures.

As the first Indian banking signatory to the CDP, your Bank is now the only financial institution to be on its Carbon Disclosure Leadership Index for India for four consecutive years, 2011 to 2014. With a score of 92 on the Index, your Bank scored the highest among financial institutions in 2014.

During the year, your Bank completed the second phase of its ISO 14001:2004 certification for Environmental Management System, certifying 67 additional cluster hub branches, located across India, and re-certifying 12 locations from Phase I, thus covering all its cluster hub branches and corporate offices.

YES COMMUNITY, your Bank's unique engagement program scaled up its impact during the year, utilizing its branches as knowledge-sharing centres on pertinent social and environmental issues. Your Bank hosted 5,827 community events during the year, touching over 5 Lakh lives.

To scale up community impact in rural and urban India, your Bank launched key CSR initiatives under the YES COMMUNITY umbrella. The initiatives focus on the four broad areas of your Bank's CSR Policy – livelihood security and enhancement, healthcare and social welfare, environment sustainability, and arts, sports and culture during the year.

During the year, your Bank was recognized nationally and internationally for its sustainability performance, winning the Karlsruhe Sustainable Finance Awards, Germany for 'Outstanding Project Financing' and the Bombay Chamber Good Corporate Citizen Award.

As the first Indian banking signatory to the CDP, your Bank is now the only financial institution to be on its Carbon Disclosure Leadership Index for India for four consecutive years, 2011 to 2014. With a score of 92 on the Index, your Bank scored the highest among financial institutions in 2014.

YES FOUNDATION, your Bank's not-for-profit social development arm was launched in 2012 with a vision of building an 'Empowered and Equitable India'. The Foundation's initiative, 'YES! i am the CHANGE' social film making challenge, emerged as the largest social film movement in India, and one of the biggest in the world. In its second edition, over 10,252 teams from all over India submitted 1,729 films, which were judged by a highly eminent jury. As part of the Challenge, over 550 filmmaking workshops and screenings were conducted across India, with an outreach of 2,500 colleges.

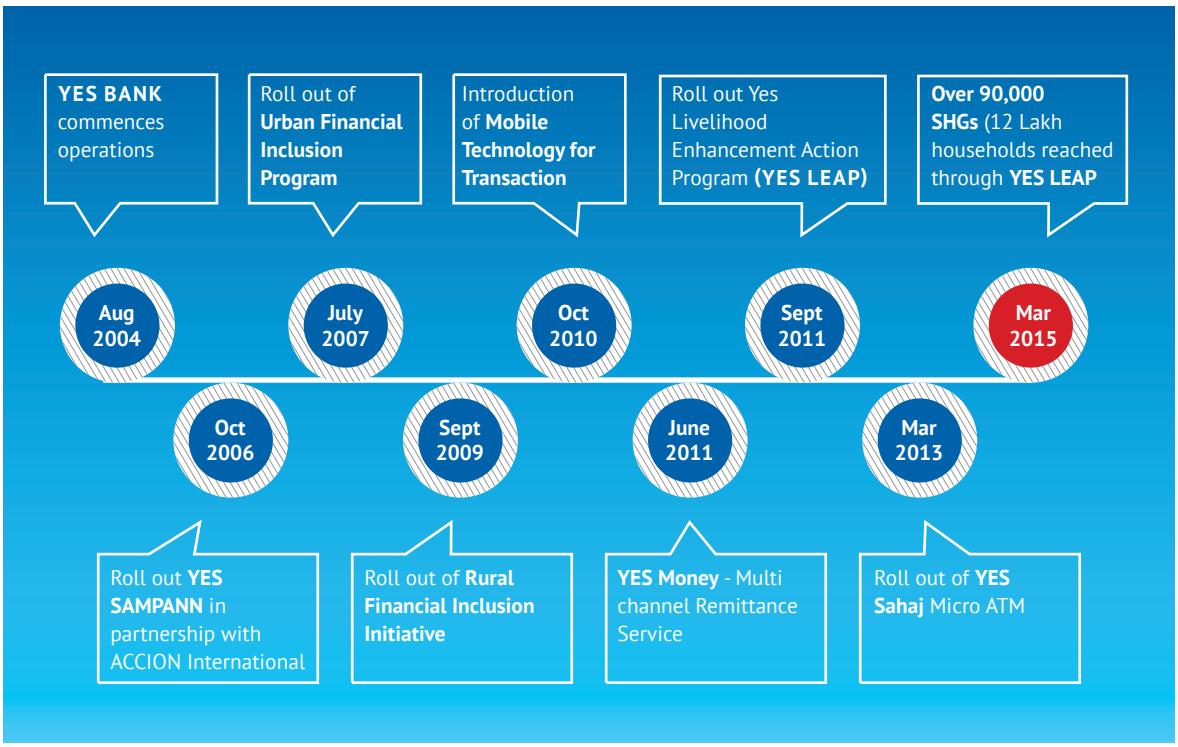
Inclusive & Social Banking

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 was 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 business opportunity. The ISB dates back to December 2006 when your Bank launched Yes Sampann, a first-of-its-kind direct micro-finance initiative in technical collaboration with ACCION International. The mandate of the ISB was to reach the un-banked and under-banked population (urban, semi-urban and rural areas) by leveraging your Bank's branch network, technology edge and relationship capital in the public, private and social sectors. In line with 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. The ISB team 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. Through the flagship, YES Livelihood Enhancement Action Program (YES LEAP), your Bank provided comprehensive financial services (credit, saving and insurance) to self-help groups through partner NGOs acting as Business Correspondents. The FI4FI credo was followed to enhance efficiency in systems, processes and operations. Every self-help group was provided timely and sufficient credit. Technology was leveraged to reduce cost risks. All transactions between SHGs and Business Correspondents were recorded in YES Sahaj Micro ATMs and monitored centrally. Through YES LEAP, your Bank touched over 12 Lakh households across 17 states.

ISB - Spearheading Financial Inclusion



Your Bank started a unique initiative to provide a customized and comprehensive product suite for the dairy industry. In one such pilot initiative launched in collaboration with a leading private dairy in South India, your Bank provided instant account credit to farmers against the milk supplied by them and analyzed them on an automated machine triggering e-mails, which has details regarding farmer payments.

The ISB team was 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 remained committed to create 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. Through the MFIG's product suite

(comprising term loans, loan syndications and rated capital market loan products like pool securitization, bonds, commercial paper and loan assignments), your Bank catalyzed the growth of the Indian microfinance industry. Your Bank aimed 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 and Rural Banking

India's economy is predominantly agrarian with the agriculture and allied industries contributing 18.2%* (FY 2013-14) to the country's GDP. Consequently, your Bank chose agribusiness as a focus sector, given the potential for growth and multiplier impact. Your Bank believes in leveraging Knowledge Capital as one of the key differentiators to develop innovative, superior and sustainable financial solutions, based on efficient product delivery, industry benchmarked service levels and strong client orientation to reinforce long-term and sustainable partnerships with its stakeholders. With these objectives in mind, the ARB (Agri- business and Rural Banking) was empowered to create banking opportunities within the agribusiness domain. The team was also responsible for ensuring compliance with the regulatory guidelines of directed lending, as specified in the RBI's Priority Sector Lending guidelines. The team of 88 bankers, comprising experienced industry and banking professionals with relevant domain knowledge and skills sets in identified focus sectors, interact with F&A clients and relationship teams to create structured lending propositions for supply chain participants – farmers as well as SMEs. To ensure a seamless and cost-efficient delivery to valued F&A customers, your Bank forged strategic alliances with several leading warehouse-related service providers, steadily building a strong commodity funding portfolio with a stress on customized offerings. There was also a focus on various intermediaries in the F&A supply chain, ensuring an access to structured and financially appropriate banking products. Given the critical need for additional agri-infrastructure assets, your Bank took the lead in providing long-term structured term funding for related projects. Your Bank's in-depth knowledge of Priority Sectors has enabled it to deliver efficient and customized banking solutions to the core sectors, such as agriculture, dairy and sugar, among others, thereby playing a significant part in driving the economic growth of the rural India.

Process, Service & Technology Overview

Service and Technology Capital

To enhance customer delight, your Bank leveraged state-of-the-art technology and innovative practices. Your Bank invested in upgrading the role of technology in various mission-critical back-end functions, including Quality Assurance, Technology Solutions Group, Risk Management, Internal Audit and Human Capital.

Business Processes - Creating a Quality Organization

In our pursuit to Build a Quality Organization, your Bank seamlessly extended its professional approach to business processes to offer a superior customer experience to all your Bank's customers. Your Bank strengthened business processes, resulting in continuous improvement.

Some Key Initiatives Comprised

- ✓ Centralized back office functions (NOC-National Operating Centres) of various businesses in Mumbai and Gurgaon, including 'Yes Touch Contact Centre' located in NOC Gurgaon, provides superior customer service and efficient business continuity planning.
- ✓ Business Excellence frameworks and quality practices, such as Five S, Quality Circle, Lean, Six Sigma and ISO 9001 standards were established. 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

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 Baldridge Business Excellence Framework (USA).

27001-certified). There was on-going evaluation of all critical parameters, including an end-to-end (e2e) review of critical business processes.

- Your Bank implemented a framework for the measurement of Customer Experience (internal 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 leveraged social media as a new channel for superior customer service and addressed queries/ complaints, received feedback, garnered inputs on service (VOC), and shared relevant content about products, services, brand building and press release materials.

- 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, resulting in extensive compliance.

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 Limited' will strive to ensure a consistent superior service experience through operational excellence, innovation, cutting-edge technology and best-in-class systems, and processes.

The Service Quality Strategy

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, which helped your Bank implement 'next practices' across products, services and channels. The Quality Assurance unit drew upon efficient methodologies practiced by world-class organizations in building institutional excellence.

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 Quality Objectives. Quality improvement drives, like workforce suggestion schemes, Lean Six Sigma, Quality Circles, Five S, ISO 9001 and ISO 10002 were implemented across business units and branches. To bring about greater precision in the management of operations in both the Corporate and Retail side of your Bank's businesses, operational processes were constantly refined and simplified for enabling scale–up, improvement in customer experience and better risk management.

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, 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 improvement projects (strategic and tactical) during the fiscal year. The former were targeted towards projects that impacted strategic business objectives, while the latter were tactical improvements carried out by the shop-floor teams.

Your Bank's processes were tracked through dashboards and shared with the management team. The leadership of each business unit reviewed existing processes,

initiated improvements and instilled procedural orientation. Within a short period, your Bank reported the following achievements: 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 Baldridge Business Excellence Framework (USA).

Awards in Customer Service and Best Practices

2015	'The Best Trade Finance Bank in India'- Asian Banker Transaction Banking Award
2015	'Best Corporate Trade Finance Deal in India' - Asian Banker's Choice Awards
2015	'Best Cash Management Project in India'- Asian Banker's Choice Awards
2014	'World Class Organisation'- Global Performance Excellence Awards - Asia Pacific Quality Organization (APQO), Chicago, USA
2014	'Best Transaction Bank for Payments' by The Banker's Transaction Banking Awards, London
2014	'Customer Engagement through Social Media' ranked 2nd globally at International Best Practice Competition, Abu Dhabi
2013	'Ramakrishna Bajaj National Quality - Business Excellence Award' in Service Organization category - Indian Merchants Chamber
2013	'Golden Peacock Global Business Excellence Award', Dubai

Information Technology

Your Bank scaled its technology infrastructure to create a contemporary, secure and robust. Your Bank also created a robust business continuity plan to secure those systems, which are vital to your Bank's business operations. The technology initiatives in FY 2014-15 reaffirmed your Bank's commitment to a significantly enhanced customer experience across all channels, including Digital Banking.

Your Bank launched a new state-of-the-art customer-centric IVR, expanded its contact centre across two cities building resilience, imparted a new look and feel to its net-banking platform, and launched transaction-based loyalty programs (including the innovative discount coupons through ATMs) across both net-banking and card-based transactions. It was also the first private sector Bank to launch NPCI VAS (value added service) through card-to-card transfers. As an issuing bank, your Bank enhanced its card portfolio by issuing RuPay cards,along with Master and Visa. Your Bank also launched a multi-currency card with 10 currencies, and enabled online, real-time credit of foreign inward remittance through IMPS.

While extending its technology footprint across an increased number of branches and ATMs, in FY 2014-15, your Bank focused on providing a much more enhanced experience to customers in the Digital Banking space. Among the many initiatives, your Bank enabled Yes2Call through the bank's Bank's website, bringing together Click and Voice to enable a seamless multi-channel conversation for the customer, enhancing the overall digital experience. Additionally, your Bank enabled YouTube videos, implemented Facebook tags and Twitter cards through the corporate website, to strengthen the social media interactions, and enhance its presence in the social space. Your Bank also launched a Reward program, 'Share the Joy', for its customers to garner leads through a virtual word-of-mouth on Facebook.

Your Bank continued to strengthen strategic partnerships with some of the best global IT majors, developing innovative features to improve procedural efficiencies and creating sector-specific banking solutions. In accordance with that, your Bank enabled specific solutions for Corporate Banking customers, including Online Tax payment, customer-specific configuration of preferred cooling period for beneficiary registration, MPKI based email authentication and SMS and e-mail service alerts.

Further, continuing on its focus to automate processes, your Bank has automated Value-at-Risk (VaR) computation and back-testing of its treasury products, as a step towards migration to the Internal Model Approach (IMA) for capital computation.

Achievements and Awards

- ✓ Asian Banker Risk Management Awards 2015 - Enterprise Risk Technology Implementation Award
- ✓ FINNOVITI Awards - 2015 – for 'Incentivizing Customers by Offering Discount Coupons on ATMs'

- NPCI Awards for Special Award for Innovation: Using the IMPS technology for remitting money in assisted mode by migrant laborers, who are technology oblivious
- NPCI Awards for Excellent Performance NFS (ATM): Mid Sized Banks Category
- 'IBA Technology Awards' for:
  - Best Financial Inclusion Initiative
  - Best use of Technology in Human Resources, Training and eLearning Initiatives
  - Best Use of technology to enhance customer experience
- CIO 100 Award – 'CIO 100 Innovation Architect 2014 Honoree' - Innovative solutions in the dairy domain leading to instant credit for small partners
- Capgemini & CIO Crown –'Digital Transformation Champion 2014'
- The Banker Transaction Banking Awards - Best Transaction Bank for Payments – For PKI, Tally and Hatsun Projects
- 'Newgen Innovation Award FY 2014-15' - Workflow automation for Trade Finance & Account opening processes

Human Capital Management

Your Bank pursued a strong employee value proposition of 'Creating & Sharing Value' with a vision to build an organization, driven by the ethos of professional entrepreneurship, 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 continued to balance the recruitment of top and senior management professionals at one end, with middle, junior and general management professionals at the other. Within a short time, your Bank's management talent was regarded as one of the best in the Indian banking sector, demonstrated by the several recognitions and awards received over the last ten years.

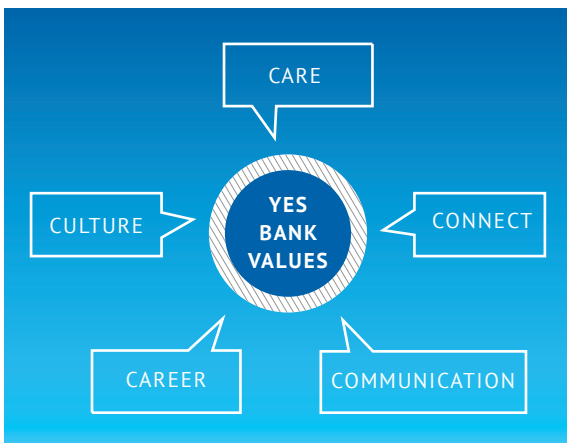
Your Bank made significant people investments in FY 2014-15, institutionalizing initiatives in the areas of executive engagement, improving workplace health and wellness, learning and development. The result of this investment in people was that, your Bank created a robust workforce of over 10,000 employees in just 10 years.

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

Executive Engagement

Making YES BANK Limited a 'Great Place to Work'

Your Bank participated in the 'India's Best Companies to Work for – 2014' study, conducted by Great Place to Work® Institute, a leading management research and consulting firm. During this study, confidential and anonymous feedback was 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. The results were analyzed and relevant interventions launched, including leadership workshops, re-articulated integrated vision and values framework, YES to GRACE (Gender Respect and Commitment to Equality), Internal Complaints Committee (ICC) to investigate and inquire into complaints of sexual harassment, Hi-Potential Development Programs and Revitalized 5C's Employee Engagement Program, among others. Your Bank also participated in the 2015 study, and saw scores increase across all parameters.



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 Limited'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.

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. To create a robust framework for this policy dissemination, awareness creation and periodic reiteration among all executives, your Bank has launched the initiative called 'Say YES to G.R.A.C.E' (Gender Respect And Commitment to Equality), to connect with a broader organizational value/belief, in line with the stated objective of building the 'Finest Quality Bank of the World in India'.

YES Stepathlon – A Wellness Initiative

YES BANK Limited, in partnership with Stepathlon Lifestyle, launched 'YES Stepathlon' for the 3rd consecutive year. This unique, pedometer-based event was open to all executives. The event was launched pan-Bank and for students from top B-schools in India. Over 650 YES BANKers and 250 Students embarked on this exciting journey to improve their health, and usher in happiness through teamwork, in September 2014.

University & Schools Relationship Management (USRM)

The UNIVERSITY & SCHOOL RELATIONSHIP MANAGEMENT (USRM) initiative plays a pivotal role in building your Bank's brand as a 'Preferred Employer of Choice' among the Best Educational Institutions in India and abroad. This program is designed to equip an encompassing knowledge sharing solution that will help propagate information about key developments in the Banking arena. Through this program, several outreaching engagement activities are planned, and executed with select B-Schools, Engineering colleges and Agricultural Institutes across the country and abroad.

YES Professional Entrepreneurship Program (Y-PEP)

Your Bank launched this innovative and institutionalized Talent Acquisition program in 2006, to foster young leadership, by putting the participants in challenging roles and projects and driving high performance through structured induction, learning programs, and mentorship by senior management, inculcating prudent risk taking attitude and developing leadership qualities. This program's notable feature is that, the Young professionals are selected for specific positions against the choices given by candidates.

Your Bank inducted 95 Y-PEPs this year, and has inducted over 1000 Y-PEPs in the last nine years. This highly qualified talent pool has contributed to consistently augment and support your Bank's knowledge based, state-of-the-art technology driven services across key banking relationships, products, knowledge advisory groups, and critical support functions.

YES SCHOOL OF BANKING
THE FUTURE OF LEARNING

YES SCHOOL OF BANKING (YSB)

Your Bank has always emphasized 'Knowledge' as a key differentiator, and continues to develop its human and intellectual capital, by equipping executives with skills and knowledge. These are based on strategic business goals, as well as, specific job requirements under the aegis of YES SCHOOL OF BANKING (YSB). The School was institutionalized in 2007, with a vision to create a Centre of Excellence for learning solutions in Banking and related areas.

My Learning@YES (Learning Management System)
Your Bank launched 'MY Learning @ YES' (YES BANK's Learning Management System/E-Learning Platform) to significantly transform its ability to enhance SKILL via SCALABLE deployment of 'Training Programs' and SPEED, to ensure PAN India coverage' thereby enhancing performance, improving compliance, operational and process controls, as per regulatory requirements.

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 2nd edition of YES Udaan in March 2014, offering Certification in Banking Fundamentals program. The program received over 650 applications screened through an online aptitude test, followed by a selection interview. Forty students were selected for a rigorous three-month certification program, managed by your Bank.

Safety for Women
In view of the current increase in incidents pertaining to women's safety in India, awareness/training workshops were organized for female executives on basic preparedness and response measures. The workshops were 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 24*7 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 about the emergency situations.

Rewards and Recognition

- ✓ Inspiring Work Place Award 2014 in the Private Sector Banks Category – Banking Frontiers
- ✓ Pride of the Profession Awarded to Deodutta Kurane – Group President (Human Capital Management)
- ✓ Top Learning & Development Organization under the 'Special Category' of CII HR Excellence Awards
- ✓ Training Company of the Year - Asia Training & Development Excellence Awards 2014
- ✓ Innovation in Learning Series - Asia Training & Development Excellence Awards 2014
- ✓ Best use of Technology in Human Resources, Training & eLearning Initiatives - IBA Technology Awards FY 2014-15

Your Bank was also awarded the 'Strong Commitment to HR Excellence' level of recognition by CII

Risk Management

The long-term financial security and success of your Bank is built on a robust risk management system. Through proactive and improved risk management practices, your Bank's risk management function continuously works towards achieving financial stability and enhancing stakeholder value. The Risk Management Architecture of your Bank is overseen by the Risk Monitoring Committee (RMC), an independent Board level sub-committee that strives to put in place specific policies, frameworks and systems for effectively managing the various risks. These policies and procedures are reviewed and updated at regular intervals.

The day-to-day functioning is managed by the Risk Management Department (RMD). The RMD is headed by the Chief Risk Officer (CRO), who leads the Credit Risk Unit and Risk Control Units. Credit Risk Unit is responsible for evaluating, rating and underwriting credit under respective Risk Heads. The Risk Control Units, such as Market Risk, Operational Risk, Enterprise Risk Management Unit, Information Security Unit, Portfolio Analytics Unit, Credit Risk Control Unit, Credit Mid Office and Risk Containment Unit are responsible for independent review, monitoring and reporting of all risk control parameters, and recommending appropriate corrective actions where necessary. These units 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 Reputation Risk Management and recommends remedial actions, if any.

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 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 Credit Policy, which is approved by the Board. 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.

Your Bank launched the 2nd edition of YES Udaan in March 2014, offering Certification in Banking Fundamentals program. The program received over 650 applications screened through an online aptitude test, followed by a selection interview.

The appraisal process encompasses a detailed risk assessment and rating of all 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, conducting industry studies and determining industry outlook. The unit is also responsible for migration to Internal Ratings Based (IRB) approach for Credit Risk,

The Capital Adequacy Ratio of your Bank has been always well above minimum requirements, reflecting upon the soundness and sustainability of the business, over the longer term. Your Bank had delivered RoA (annualized) at or above 1.5% and RoE (annualized) around 20%, over last seven years.

under Basel II. Your Bank also has an active legal department that helps in assessment and management of material legal risks. The department has developed a comprehensive set of standard documents for various types of credit products.

Market Risk

Your Bank's Market Risk management is governed by comprehensive Board approved 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.

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 Policy, which covers the approval and risk evaluation process, of all the new products/ modifications to existing processes. Additionally, your Bank has an Outsourcing Policy governed by the Outsourcing Management Committee (OMC) to ensure effective due diligence and monitoring of your Bank's outsourced activities.

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.

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 and Compliance Committee for Audit Planning & Reporting. Additionally, your Bank also subjects its operations to Concurrent Audit by reputable audit firms to complement its internal audit function. The Concurrent Audit covers core activities such as 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.

Vision, Mission and Business Strategy

Your Bank's vision is to emerge as the 'Finest Quality Bank of the World in India by 2020' and evolve its brand into the 'Professionals' Bank of India'.

In April 2010, your Bank launched Version 2.0 aligned with this vision and to build scale, granularity and diversity. Your Bank sustained its Version 2.0 strategy around relationships, knowledge and service to deliver customized and comprehensive customer solutions. Your Bank focused on seven strategic objectives related to Version 2.0, which are explained below:

1. **Liabilities Generation:** The principal objective of your Bank was to increase Current and Savings Account (CASA) deposits and granular term deposits. Your Bank used a business-to-business-to-customer (B2B2C) strategy with a focused target segment approach, offering products centered around customer needs. Your Bank continued to capitalize on the deregulation of interest rates on saving accounts starting October 2011. Your Bank was the first to increase rates on saving accounts, offering 7% on accounts for balances greater than or equal to ₹ 100,000 and 6% for balances below ₹ 100,000. Your Bank reinforced its pan-India presence through more than 630 branches and 1,190+ ATMs, covering all 29 States and 7 Union Territories, and also extended the highly attractive services to NRI customers, through its Global Indian Banking proposition. On the Current Account and Corporate (Savings Account) front, your Bank identified current account-centric corporate customer segments and offered customized products - wealth products to owner-promoters and Directors of corporates and salary accounts to these companies under the Y-COPs Program (Corporate Salary Programs). Your Bank tapped the supply chain of large corporate customers by offering superior technology-driven cash management and liquidity management solutions. Your Bank engaged with brokers and insurance firms, offering innovative products to their customers as a part of its strategy to address financial intermediaries and capitalize on references of technology-savvy and transaction-heavy customers. During FY 2014-15, your Bank's retail broking business has enhanced the synergy of the overall retail liabilities business, strengthening the overall retail franchise.

   The result of these initiatives was that your Bank's CASA ratio increased from 22.0% of total deposits as on March 31, 2014 to 23.1% as on March 31, 2015.

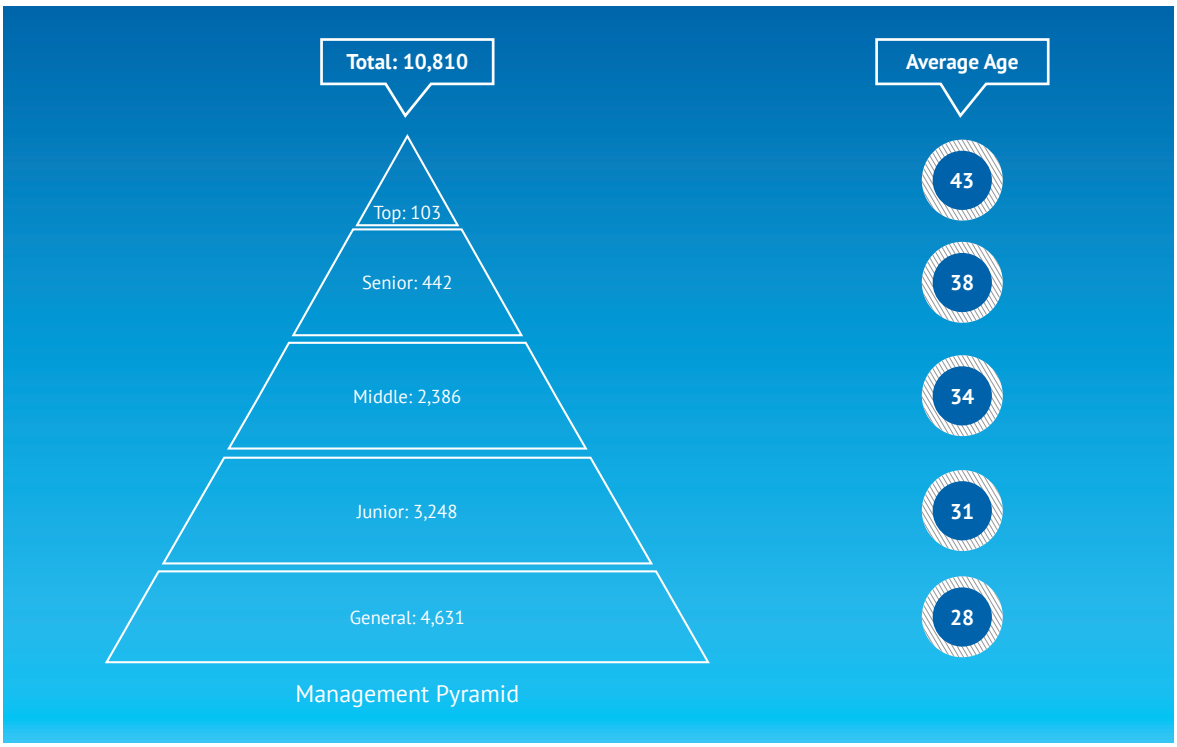
2. **Robust Risk Management:** Your Bank balanced and reconciled growth with high asset quality through effective risk mitigation. Your Bank's risk strategy fostered disciplined risk management and control. Principally, your Bank intended to optimize capital needs and maximize returns. Over 12-18 months, your Bank focused on asset quality preservation and capital optimization. Your Bank's best-in-class asset quality reflected a gross NPA of 0.41% and net NPA of 0.12% at the close of the year under review.

3. **Sustainable / Diversified Revenue Generation:** Your Bank focused on deepening and acquiring new relationships with customers in its identified knowledge sectors, across its Corporate Banking, Commercial Banking, Business and Branch Banking, Multinational Corporations, Government relationships divisions. Your Bank's goal was to increase business volumes per customer by

building relationships and the cross-sale of banking and advisory products. Going ahead, your Bank will continue to diversify its business across relationship groups, increasing granularity and revenue diversity.

4. **Consistent Customer Service and Brand Management:** Your Bank's brand was built around the key pillars of Trust, Growth, Knowledge-driven Human Capital, Innovation, Technology, Transparency and Responsible Banking. Your Bank reinforced these pillars through various activities: by advertising across print, radio, television and the internet; organizing, attending and sponsoring industry trade and knowledge seminars; authoring knowledge-based publications; benchmarking against the best customer service-driven companies across industry verticals; adopting best practices in customer service and delivery from consumer goods industries; investing in continuous product, process and soft skills training for employees; improving customer service.

5. **Human Capital Management:** Your Bank leveraged its rich experience in project management and execution supported by competent human capital; your Bank offered opportunities in a professional and entrepreneurial workplace along with competitive compensation and relevant training. The result: your Bank attracted the best talent from leading financial institutions and business schools, where it continued to be an employer of choice. Besides, your Bank hired a number of senior banking professionals from other private sector banks that strengthened its retail banking leadership. Your Bank continued to balance the recruitment of top and senior management professionals at one end with middle, junior and general management professionals at the other (see graph below):



6. **Effective Cost Management:** Your Bank continued to report one of the best cost-to-income ratios in India's banking sector. Your Bank effectively managed costs by reducing wastage, negotiating vendor rates efficiently and reducing technology costs. Your Bank focused on re-engineering its processes and despite your Bank being in a significant investment mode, it maintained the best-in-class cost-to-income ratio of 41.3% in FY 2014-15.

7. **Continuous Strengthening of Systems, Controls, Processes and Procedures:** Your Bank developed technology-based solutions in conjunction with robust processes and controls through centralized operations in cost control, risk mitigation and scale-up opportunities. Even as the scale of the business presented internal control challenges, your Bank continued to strengthen its risk management framework and operational controls.

Financial and Operating Performance

Your Bank has delivered a steady financial and operating performance for FY 2013-14 by delivering a stable performance with continued focus on consolidation. Your Bank has once again delivered superior Return on Equity (RoE) of 19.0% and Return on Assets (RoA) of 1.6% for the year ended March 31, 2015.

Key Ratios	FY 2014-15	FY 2013-14
Return on Equity	19.0%	25.0%
Return on Annual Average Assets	1.6%	1.6%
Basic Earnings Per Share ₹	49.3	44.9
Diluted Earnings Per Share ₹	48.0	44.4
Book Value Per Share ₹	279.6	197.5
Non Interest Income to Net Revenues	37.0%	38.8%
Cost to Income	41.3%	39.4%
Gross NPA Ratio	0.41%	0.31%
Net NPA Ratio	0.12%	0.05%

Your Bank has continued to deliver on all key parameters with robust growth in net income, improving net interest margins, stable asset quality and improving liability franchise with a CASA ratio of 23.1%. This helped your Bank generate strong shareholder returns with basic and diluted EPS increasing to ₹ 49.3 and ₹ 48.0 respectively, taking the book value up to ₹ 279.6 after considering a dividend of ₹ 9 per share.

Balance Sheet

(₹ in Crores)

Particulars	March 31, 2015	March 31, 2014	Growth % over March 31, 2013
Assets			
Advances	75,549.8	55,633.0	35.8
Investments	46,605.2	40,950.4	13.8
Others	14,015.4	12,432.4	12.7
Total Assets	**136,170.4**	**109,015.8**	**24.9**
Liabilities			
Shareholders' Funds	11,680.0	7,121.7	64.0
Deposits	91,175.8	74,192.0	22.9
Borrowings	26,220.4	21,314.3	23.0
Others	7,094.2	6,387.8	11.1
Total Liabilities	**136,170.4**	**109,015.8**	**24.9**

Your Bank's total Balance Sheet size increased by 24.9% from ₹ 109,015.8 Crores as of March 31, 2014 to ₹ 136,170.4 Crores as of March 31, 2015 due to an increase in the size of advances owing to the overall growth of the business.

Advances

During this fiscal, your Bank recorded a growth of 35.8% in its loan book with advances increasing to ₹ 75,549.8 Crores, on the back of growth in lending in Corporate Banking (large corporations, government-owned corporations and institutions, multinational corporations and Indian financial institutions) & Commercial Banking (mid-market corporations, operating across various industries), Branch Banking (SMEs, MSMEs and Retail) and priority sector lending. The yield on advances for the year was 12.2%.

Investments

Total investments as at March 31, 2015 increased by 13.8% to ₹ 46,605.2 Crores from ₹ 40,950.4 Crores as at March 31, 2014. This can be mainly attributed to the increase in Government Securities of ₹ 7,572.2 Crores compensated by decrease in Non-SLR investments of ₹ 1,917.3 Crores.

Deposits

Your Bank's deposits increased by 22.9% to ₹ 91,175.8 Crores as at March 31, 2015 which comprised of ₹ 8,499.4 Crores of demand deposits, ₹ 12,579.5 Crores of savings deposits and ₹ 70,096.9 Crores of term deposits. Term deposits increased by 21.2% as at March 31, 2015 over March 31, 2014 while savings deposits increased by 34.9% and current deposits increased by 21.1% as at March 31, 2015 over March 31, 2014. 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. Current and Savings Account (CASA) deposits grew by 29.0% to ₹ 21,079.0 Crores taking the CASA ratio to 23.1% as at March 31, 2015 up from 22.0% as of March 31, 2014. The Bank continues to witness increased traction in CASA on the back of growing branch network, improving productivity, improved brand franchise and enhanced savings rate offering.

Borrowings

Total borrowings of your Bank increased from ₹ 21,314.3 Crores as at March 31, 2014 to ₹ 26,220.4 Crores as at March 31, 2015. Your Bank on the back of a Moody's International rating (Baa3, in line with India's sovereign rating) increased its foreign currency borrowing from ₹ 5,224.4 Crores as on March 31, 2014 to ₹ 8,814.7 Crores as on March 31, 2015.

Profit and Loss Account

(₹ in Crores)

Particulars	FY 2014-15	FY 2013-14	Growth % over FY 2013-14
Net Interest Income	3,487.8	2,716.3	28.4
Non Interest Income	2,046.5	1,721.5	18.9
Total Net Income	5,534.3	**4,437.8**	**24.7**
Operating Expenses	2,284.7	1,749.8	30.6
Employee Costs	979.7	784.4	24.9
Other Costs	1,305.0	965.4	35.2
Operating Profit	**3,249.6**	**2,688.0**	**20.9**
Provisions and Contingencies	339.5	361.7	-6.1
Profit before Tax	2,910.1	2,326.3	25.1
Provision for Taxes	904.7	708.5	27.7
Profit after Tax	**2,005.4**	**1,617.8**	**24.0**

Interest Income

Your Bank's total interest income increased by 15.9%, from ₹ 9,981.4 Crores for the year ended March 31, 2014 to ₹ 11,572.0 Crores for the year ended March 31, 2015. Interest income on advances and discounts on bills increased by 22.6%, primarily due to an increase in gross advances. The average yield on your Bank's advances portfolio was 12.2% for the year ended March 31, 2015. Interest income on investments increased by 2.8%, due to higher average investment portfolio during the year. These investments were mainly in government securities (including investments held to meet SLR requirements), corporate debentures and bonds, pass-through certificates of mortgage-backed and asset-backed securities, commercial paper and certificate of deposits.

Interest Expense

Your Bank's total interest expense increased by 11.3%, from ₹ 7,265.1 Crores for the year ended March 31, 2014 to ₹ 8,084.2 Crores for the year ended March 31, 2015. Interest expense on deposits increased by 16.3%, primarily due to an increase in overall deposit base. Interest expense on RBI / inter-bank borrowings decreased by 7% due to decrease in cost of borrowing during the year.

Net Interest Income

Your Bank's net interest income increased at a rate of 28.4% from ₹ 2,716.3 Crore for the year ended March 31, 2014 to ₹ 3,487.8 Crore for the year ended March 31, 2015. Overall yield on interest bearing assets reduced to 10.1% for the year ended March 31, 2015 from 10.2% for the year ended March 31, 2014. This was accompanied by a decrease in cost of funds from 8.4% for the year ended March 31, 2014 to 8.2% for the year ended March 31, 2015 driven by increase in percentage of low cost deposits in the form of CASA. Both the above factors along with capital raised resulted in net interest margins improving from 2.9% for the year ended March 31, 2014 to 3.2% for the year ended March 31, 2015.

Other Income

Your Bank also displayed robust growth in non-interest income by 18.9% from ₹ 1,721.6 Crores for the year ended March 31, 2014 to ₹ 2,046.5 Crores for the year ended March 31, 2015, primarily due to increases in commission, exchange and brokerage income. Commission, exchange and brokerage income comprised mainly income from opening and negotiating letters of credit, commission charged on financial guarantee and performance guarantee, cash management services, financial advisory services and fees for loan syndication. Income from these increased by 56.7% from ₹ 1,260.9 Crores for the year ended March 31, 2014 to ₹ 1,976.5 Crores for the year ended March 31, 2015. Net profit from the sale of investments decreased from ₹ 166.2 Crores for the year ended March 31, 2014 to ₹ 142.1 Crores for the year ended March 31, 2015. Profit from exchange transactions and miscellaneous income had a loss of ₹ 72.0 Crores for the year ended March 2015 due to movement in currency and interest rates.

Operating Expenses

Your 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 30.6% from ₹ 1,749.9 Crores for the year ended March 31, 2014 to ₹ 2,284.7 Crores for the year ended March 31, 2015. Employee costs increased by 24.9% from ₹ 784.4 Crores for the year ended March 31, 2014 to ₹ 979.7 Crores for the year ended March 31, 2015, primarily due to the expansion of the branch network resulting in head count increasing from 8,798 to 10,810. Employee costs accounted for 42.9% of our operating expenses for the year ended March 31, 2015 compared to 44.8% for the year ended March 31, 2014. Rent, taxes and lighting also increased by 16.2% to ₹ 266.3 Crores on account of the rapid branch expansion to 630 from 560. Other significant reasons for an increase in operating expense comprised an increase in information technology and asset outsourcing charges, electricity, depreciation, maintenance charges, and deposit insurance charges paid to deposit insurance and credit guarantee corporation. Despite increasing investments in people and branches, your Bank maintained a very healthy cost to income ratio of 41.3% for the year ended March 31, 2015.

Provisions and Contingencies

Provisions and contingencies increased by 16.3% from ₹ 1,070.2 Crores for the year ended March 31, 2014 to ₹ 1,244.2 Crores for the year ended March 31, 2015. The key components of provisions are provision for taxation of ₹ 904.7 Crores (FY 2013-14: ₹ 708.5 Crores), Release in provision on account of mark to market of investments of ₹ 58.4 Crores (FY 2013-14: charge of ₹ 86.0 Crores), Provisions for NPAs of ₹ 130.0 Crores (FY 2013-14: ₹ 135.8 Crores) and Provision for Standard Assets ₹ 244.0 Crores (FY 2013-14: ₹ 127.9 Crores).

Net profit

As a result of the above, your Bank's net profit increased by 24.0% from ₹ 1,617.8 Crores for the year ended March 31, 2014 to ₹ 2,005.4 Crores for the year ended March 31, 2015.

Shareholders' Funds and Capital Management

Your Bank's shareholder funds were ₹ 11,680.0 Crores as at March 31, 2015 as compared to ₹ 7,121.7 Crores as at March 31, 2014. The increase is mainly on account of issuance of 53,492,272 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 550 per share aggregating to ₹ 2,942.1 Crores (net of share issue expenses) and profit after tax net of proposed dividend of ₹ 1,552.8 Crores. The Book Value per share increased to ₹ 279.6 as at March 31, 2015 from ₹ 197.5 as at March 31, 2014 on the back of steady growth and earnings retention of approximately 80%. Total capital funds stood at ₹ 16,151.3 Crores as at March 31, 2015 as per Basel III.

Tier-I Capital

Tier I Capital of your Bank has increased from ₹ 7,497 Crores to ₹ 11,876 Crores which is 58.4% increase in FY 2014-15 over FY 2013-14. The increase is on account of issuance of 53,492,272 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 550 aggregating to ₹ 2,924.8 Crores (net of share issue expenses) and retained profit after tax earned during FY 2014-15 amounting to ₹ 1,540 Crores.

Tier-II Capital

During FY 2014-15, your Bank did not mobilize any further subordinated debt.

As per Basel III norms, Your Bank had a capital adequacy ratio of 15.6% as at the end of FY 2014-15. As per Basel-III, Tier-I capital ratio was 11.5% and the Tier-II capital ratio was 4.1% as at March 31, 2015.

Capital Adequacy Ratios	March 31, 2015	March 31, 2014
Total capital ratio (CAR) out of the above	15.6%	14.4%
- CET 1	11.0%	9.1%
- Tier I Capital	11.5%	9.8%
- Tier II Capital	4.1%	4.6%

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. Your 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.

Swot Analysis

Strengths

Your Bank has displayed strong financial health since inception, even during the global financial turmoil in FY 2008-09, and subsequent weak macro-economic environment reigning in India over the last few years. The Capital Adequacy Ratio of your Bank has been always well above minimum requirements, reflecting upon the soundness and sustainability of the business, over the longer term. Your Bank had delivered RoA (annualized) at or above 1.5% and RoE (annualized) around 20%, over last seven years. Your Bank has been able to achieve this by adopting a calibrated approach to growth and risk, resulting in the best asset quality among private and public sector banks, with the lowest Net NPA and Gross NPA ratios. Your Bank continues to maintain cost-to-income ratios below the industry average, and retain high profitability per employee, as compared to peers. Continued focus on productivity enhancement measures, and unlocking economies-of-scale over the last few years, driven by technology and innovations have helped your Bank in doing so. Your Bank has also developed a strong standing in the market, mainly due to its differentiated Knowledge Banking approach. This approach, coupled with its prudent corporate lending strategy, and expansion on retail and SME lending, helped minimize the overall impact of the financial crisis. The crisis has also helped your Bank to validate its model, and acquire new corporate clients due to a weak competitive environment. Your Bank has had a proven track record to raise capital and long term funding, necessary to sustain the high growth. It has raised capital (both equity and other forms of capital) at appropriate times. This ability to augment capital funds will help capture growth opportunities with the macroeconomic environment, improving in the future. Last but not the least, your Bank's performance is attributable to the finest human capital base, since inception. Your Bank has initiated many path breaking and innovative ideas to nurture talent, such as the YES School of Banking and YES Professional Entrepreneurship Program, making it a desired employer to work with. Your Bank has been one of the largest and most-sought after recruiters from business schools in India.

Weaknesses

Although your Bank has made significant strides over the last few years, it is still a relatively small player in the banking space. It has a lower market share, as its network of branches is still relatively smaller with lower presence in remote locations. Being a relatively newer bank, brand awareness among retail customers is lower than its peers, who have been in the business for a significantly longer time. However, your Bank believes that this represents an opportunity for the Bank. Your Bank has been making significant investments in enhancing its brand through appropriate media campaigns, expanding its branch network and ATM base, and thereby augmenting its customer base at a rapid pace. Furthermore, your Bank's rural presence has also been correspondingly lower than the larger private and public banking players. Consequently, your Bank faces challenges in directly reaching rural farmers. Your Bank has built a specialized group for Agri and Rural Banking and financial inclusion, to create an outreach in this domain. Your Bank also has minimal international presence, and has only recently made its maiden international foray, in the form of a Representative office. This has limited your Bank's ability to raise low-cost foreign currency funding, and pursue international trade finance opportunities.

Opportunities

Although, the global economy is still short of full recovery from the 2008 financial crisis, normalization of monetary policy is now back on agenda for the developed world. This suggests that recovery is becoming broad-based, and investors are now less worried about the sustainability of debt levels. New dynamics imply higher import demand from regions like the US, the Eurozone and Japan; creating new opportunities for the emerging world. For India, as exports grow, a push is also expected to come in the form of governmental efforts, to revive the investment climate, thereby creating new opportunities in the field of trade

and infrastructural financing. With the narrowing of the twin deficits – both, current account and fiscal, as well as, the replenishment of forex reserves, adjustment of the rupee exchange rate, and more importantly, setting in motion disinflationary impulses, reforms by the new stable government, the risks of near-term macro instability have reduced. Economic activity is expected to show a mild improvement, with a pick-up in momentum. Policy effort at addressing domestic macroeconomic imbalances, reviving stalled projects, and reducing policy uncertainty has infused some semblance of stability in the economy.

The Indian banking sector continues to experience demographic tailwinds. The large middle class with increasing incomes and banking needs, along with a huge unbanked population below the age of 25, offers an enormous retail opportunity for banks in India. Smaller towns and rural India still provide a huge untapped potential for expansion, and there are significant opportunities, especially in the small and medium enterprise space. Further, the ability to use technology, to profitably deliver banking solutions to masses, is an exciting opportunity. Additionally, the goal of financial inclusion would benefit immensely from key government initiatives, like, the PMJDY, use of Aadhar, mobile-based payments, mobile-based card transaction facilities, and thereby would help develop the knowledge infrastructure for enhancing reach of the banking sector.

RBI's savings rate deregulation has offered your Bank an opportunity to gain significant savings account market share by offering better rates and services to customers. An International Branch or a branch at IFSC (International Financial Services Centre) in SEZ at GIFT City Gujarat (subject to regulatory permissions) would significantly augment and diversify your Bank's overall long-term fund raising capabilities. Your Bank has been ranked by Financial Times among the world's top-600 banks, and with Moody's credit rating of Baa3, at par with India's sovereign rating, the Bank's international foray, (through international branch of IFSC), becomes a logical next step. Your Bank's entry into new product/ segments, viz. retail assets offers significant potential for the Bank to build on its expanding customer base. The ability to cross sell products to retail customers would enhance the profitability of the Bank over the long run. Your Bank also has the opportunity to increase brand awareness through focused and adept marketing campaigns, and leverage the growing retail footprint.

Threats

While risks have certainly reduced in the recent past, complete regularization is yet to happen. At a global level, employment in the US remains quite volatile, and there are mixed signals with regards to whether the recovery is robust or not. In Japan, coordinated monetary and fiscal stimulus have been successful in bringing the economy out of a deflationary zone; but the recent sales tax hike poses some risks for the domestic demand. In Europe, although the economy is out of recession, deflationary risks are still been debated on. China is going through a rebalancing phase, where growth has dipped below its long-term average, though it still remains one of the fastest growing economies globally. Inflation in these economies, however, has undershot projections, on account of recent commodity price declines, and is also reflective of still-large output gaps. All these international challenges do not mean the risk of a double dip recession. However, it is the pace of recovery that could be lower than anticipated, and thus it is important to remain constantly vigilant.

On the domestic front, it is widely anticipated that the rural growth story is losing steam, and as such, is likely to offer limited upside to growth in FY 2015-16. Moreover, the possibility of El Nino continues to pose a risk to rural growth. While, we expect average CPI inflation to decline in FY 2015-16, development of El Nino could potentially raise the downside risk to growth, and increase the upside risk to inflation. In such a scenario, revival of external demand, and recovery in the capex cycle would have to play a key role in driving the economy ahead.

Changes in the RBI regulations, requiring banks to set up a higher number of rural branches could result in lower profitability for banks. Also, the RBI awarding additional licenses could potentially result in increasing competition in the banking industry, over the medium to long-term. There may be some erosion in projected growth due to market captured by new entrants, and also due to the competition among banks in retaining quality staff.

Expansion may lead to increase in costs, and overall reduction in operating profit, accompanied by some impact on quality of assets, with seasoning of retail assets in the future. Your Bank could also face intense competition from allied firms in financial services (e.g. broking/investment banking, among others), who compete for human capital. Further, recent regulatory changes including revised priority sector norms, adoption of BASEL-III norms could result in lower profitability for the banking system in general, thereby also impacting your Bank.

Directors' Report

To the Members,

Your Directors are pleased to present the Eleventh Annual Report on business and operations of your Bank together with the audited accounts for the year ended March 31, 2015.

Business Overview and Outlook

Your Bank performed well in Financial Year (FY) 2014-15 with a net profit of ₹ 2,005 Crores which is an increase of 24% from FY 2013-14. Your Bank posted robust growth in advances and deposits while gradually increasing diversification and granularity as reflected in higher contribution of Retail and SME advances and CASA Deposits. Your Bank has also successfully completed its Version 2.0 journey over the last 5 years, growing from a small sized bank and emerged as a meaningful entrant into the Large Bank transforming into a high quality, world-class institution in Indian banking amidst periods of global and domestic downturn. In terms of Human Capital strength, your Bank has achieved a significant milestone in FY 2014-15 crossing the 10,000 mark.

Given the overall optimism and the fact that the Indian economy is set to receive a major impetus owing to prudent policy reforms, your Bank is geared up to capitalize on this momentum with a renewed vigour and enthusiasm and establish itself as the 'Finest Large Bank' in the country.

Your Bank has also now achieved a critical mass and momentum in terms of state-of-the-art branch network with 630 branches and 1,190 ATMs across all 29 states and 7 Union Territories of India. Your Bank has invested significantly in offering 'Digital Banking' services via various channels while continuing to ramp up the existing branch network. We believe that the future of Banking lies in establishing a 'DIGICAL – Digital + Physical' infrastructure which consists of a fine blend of offline and online channels employing innovation and technology combined with the effectiveness of human touch points as a means of customer service excellence.

State of the Affairs of the Bank

FY 2014-15 was a significant year in your Bank's lifecycle. Your Bank continued on its consistent performance with PAT growing to ₹ 2,005 Crores from ₹ 1,617 Crores resulting in a Y-o-Y growth of 24%.

In FY 2014-15, your Bank raised over USD 1.2 Billion in equity and long term debt by partnering with marquee global investors who have reposed tremendous faith in your Bank's consistent performance and robust business model. On May 30, 2014, your Bank successfully closed a global USD 500 Million Qualified Institutions Placement (QIP) which was the FIRST significant capital raising by an Indian Company post formation of the new government. The Global QIP was oversubscribed 5 times with a demand of USD 2.5 billion from investors across USA, UK, Europe and Asia.

Your Bank also raised a USD 422 Million Dual Currency Loan in October, 2014 which received commitment from 21 Banks across USA, Europe, Africa, Middle East, Far East and Australia. More recently, in December, your Bank received a USD 200 Million Unsecured Loan from the Asian Development Bank which will be used to finance working capital and investment loans targeted towards small farm households and rural women in Self Help Groups (SHGs). In February 2015, your Bank issued India's 1st ever Green Infrastructure Bonds raising an amount of USD 160 Million (₹ 1,000 Crores). The issue launched for ₹ 500 Crores plus green shoe option witnessed strong demand from leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds, resulting in a total subscription of ₹ 1,000 Crores.

Further information on the Business overview and outlook and State of the affairs of the Bank is discussed in detail in the Management Discussion & Analysis.

There is no change in the nature of business of the Bank for the year under review.

Financial Performance

(₹ in Crores)

Particulars	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
Deposits	91,176	74,192
Borrowings	26,220	21,314
Advances	75,550	55,633
Total Assets/Liabilities	136,170	109,016
Net Interest Income	3,488	2,716
Non Interest Income	2,046	1,722
Operating profit	3,250	2,688
Provisions and Contingencies	339	362
Profit before Tax	2,910	2,326
Provision for taxes	905	709
Net Profit	2,005	1,617
Add: Surplus/(Deficit) brought forward from last period	3,207	2,338
Amount available for appropriation	5,213	3,955
Appropriations		
Statutory Reserve under section 17 of the Banking Regulation Act, 1949	501	404
Capital Reserve	26	4
Investment Reserve	12	-
Proposed Dividend and Tax thereon	453	338
Adjustment to earlier year dividend and tax thereon	0	2
Surplus carried to Balance Sheet	4,220	3,207
Key Performance Indicators		
Net Interest Margin	3.2%	2.90%
Return on Annual Average Assets	1.6%	1.60%
Return on Equity	19.0%	25.00%
Cost to Income Ratio	41.3%	39.40%

Your Bank posted Net Revenues (Net Interest Income and other income) of ₹ 5,534 Crores and Net Profit of ₹ 2,005 Crores for the FY 2014-15. The Net Revenues and Net Profit for the Financial Year 2013-14 was ₹ 4,437 Crores and ₹ 1,617 Crores respectively. Appropriations from the Net Profit have been effected as per the table given above. Please refer to the section on Financial and operating Performance in the Management Discussion and Analysis for a detailed analysis of financial data.

Dividend

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 ₹ 9 per equity share for approval by the shareholders at the 11th Annual General Meeting.

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, 2015-

Amount transferred to	Amount in ₹ Crores
Statutory Reserve	501
Capital Reserve	26
Investment Reserve	12

Capital Raising & Capital Adequacy Ratio (CAR)

The Bank had raised Capital through Qualified Institutional Placements (QIP) in the month of May 2014 and had received a tremendous response to the QIP, raising USD 500 Million (₹ 2,942 Crores) at a rate of ₹ 550 per share. Your Bank has utilized the proceeds of the issue of equity shares under QIP for enhancing the Solvency, Capital Adequacy Ratio and for general Corporate Purposes.

The paid-up capital of your Bank has increased to ₹ 417.74 Crores as at March 31, 2015 from ₹ 360.63 Crores as at March 31, 2014, post raising of funds by way of QIP and exercise of employee stock options during the FY 2014-15.

Your Bank has not issued any equity shares with differential voting rights during the year.

Your Bank also raised ₹ 1,000 Crores by way of 'Green Infra Bonds' during the FY 2014-15.

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, 2015.

Your Bank is well capitalized with a Capital Adequacy Ratio of 15.6% as at March 31, 2015 of which Tier I Capital Ratio was 11.5% and Tier II Capital Ratio was 4.1%.

Deposits

Being a banking company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the 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 awards presented to the Bank are listed below:

- Your Bank has won the 'Excellence in Social Media' and 'Best Initiative in Financial Inclusion' Awards at the Retail Banker International Asia Trailblazer Awards 2015
- Your Bank was adjudged as 'Most Promising Brand' at the Economic Times Most Promising Brands Awards at Mumbai, 2015
- Your Bank was adjudged runner-up in the 'Most Imminent Bank' category by Outlook Money at Mumbai, 2015
- Your Bank won the 'Best Private Sector Bank' at the FPCIL Money Today Best Banks Awards, 2015
- Your Bank was ranked 2nd Globally for 'Customer Engagement through Social Media' at International Best Practice Competition, Abu Dhabi
- Your Bank was awarded the prestigious AIMA RK Swamy High Performance Brand Award 2014 in Delhi in February 2015
- Your Bank was awarded at the FINNOVITI Awards - 2015 - for 'Incentivizing Customers by Offering Discount Coupons on ATMs'
- Your Bank has received the 'Newgen Innovation Award FY 2014-15' - Workflow automation for Trade Finance & Account opening processes
- Your Bank was recognized by the Business Today KPMG India's Best Banks 2014 as Consistent Performer and for Best Asset Quality among Large Sized Banks.
- Your Bank has received multiple awards including 'Winner' in the Mid Sized Category for ATMs & 'Special Award for Innovation in IMPS' from NPCI.
- Your Bank has received the Best Transaction Bank for Payments Award at The Banker Transaction

Banking Awards 2014 in London. Your Bank was the only bank globally to have been awarded in this category in 2014.

- Your Bank was awarded the Best Asset Quality (Private Sector) award at the Dun & Bradstreet Banking Awards, 2014 held in Mumbai

- Your Bank has been awarded the 'Best Performer in Account Growth Rate – Rising DP' at the NSDL Star Performers Awards 2014

- Your Bank has received the 'Global Performance Excellence Award -2014' in the Services Category by Asia Pacific Quality Organisation (APQO) in Chicago, Illinois, USA. Your Bank has been declared as 'World Class Organisation' (top category award) amongst 11 other organizations around the world. Your Bank is the only Indian bank to win this prestigious global award.

- Your Bank has received the Bombay Chamber Good Corporate Citizen Award 2013-14. Your Bank was awarded in the 'Banks and Financial Institutions' category by the Bombay Chamber of Commerce and Industry (BCCI)

- Your Bank has received Golden Peacock Environment Management Award 2014 in the Banking (financial) Category at the 16th World Congress on Environment Management, New Delhi.

- Your Bank has received the Outstanding Sustainable Project Financing Award at the prestigious Karlsruhe Sustainable Finance Awards, Germany, 2014. This is the 2nd year in a row that Your Bank has received this global recognition.

Your Bank is well capitalized with a Capital Adequacy Ratio of 15.6% as at March 31, 2015 of which Tier I Capital Ratio was 11.5% and Tier II Capital Ratio was 4.1%.

- Your Bank has won the MasterCard Payment Innovation Awards 2014 under three of the total nine categories. Your Bank won these recognitions for introducing innovative Payment programs that present effective and convenient solutions to valued customers.

Employees Stock Option Scheme

Your Bank has instituted Stock Option Plans to enable its employees to participate in your Bank's future growth and financial success. Your Bank provides its employees a platform for participating in important decision making and instilling long term commitment towards future growth of the Bank by way of rewarding them through Stock Options. The Stock Option Schemes also enable the Bank to hire the best talent for its senior management and key positions. The Bank has implemented 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) 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 (earlier known as Board Remuneration & Human Capital Management Committee) of the Bank.

The details of the grants under Schemes i.e. JSOP I, JESOP II, JESOP III, YBL ESOP and YBL JESOP V/PESOP II respectively are as follows:

	JSOP I	JESOP II	JESOP III	YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP –II 2010
Total No. of Options granted (during FY 2014-15)	Nil	Nil	Nil	Nil	Nil	575,900	Nil	2,306,000
The Pricing Formula	At par	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 2014-15)	-	-	-	-	-	1,055,750	-	1,846,350
Options Exercised (during FY 2014-15)	251,250	17,600	18,100	165,678	249,660	1,187,872	489,490	1,230,550
Total No of shares arising as a result of exercise of option	251,250	17,600	18,100	165,678	249,660	1,187,872	489,490	1,230,550
Options lapsed/ Forfeited (during FY 2014-15)	-	-	-	-	-	336,550	-	425,400
Variation of terms of options	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 3	Refer Note 3	Refer Note 3
Money realized by exercise of Options (during FY 2014-15) (in ₹)	2,512,500	1,203,840	1,667,270	31,950,402.9	44,735,518.3	321,590,796.6	68,248,811.5	336,330,465
Total No of Options in force	0	258,200	14,500	163,935	342,315	4,093,653	1,320,785	12,786,400
Total No. of Options granted to: (during FY 2014-15)								
(i) Total No of Options granted to Senior Management Personnel (SMP)	-	-	-	-	-	230,000	-	715,000
(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	-	-	-	-	-	Attached as sub-table 1	-	Attached as sub-table 2
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	JSOP I	JESOP II	JESOP III	YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP –II 2010
Diluted Earnings Per Share (EPS) of the Bank after considering the effect of potential equity shares on account of exercise of Options	48.01							
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, 2015 and March 31, 2014. 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 ₹ 353,234 thousands (Previous year: ₹ 341,904 thousands), the basic earnings per share would have been ₹ 48.47 (Previous year: ₹ 43.97) per share instead of ₹ 49.34 (Previous year: ₹ 44.92) per share; and diluted earnings per share would have been ₹ 47.16 (Previous year: ₹ 43.42) per share instead of ₹ 48.01 (Previous year: ₹ 44.35) per share.							
Weighted average price of the shares exercised during the year (in ₹)	10.00	68.40	92.11	192.85	179.19	270.73	139.43	273.32
Weighted average fair values of the outstanding options (in ₹)	10.00	43.30	45.65	103.49	87.79	168.10	62.34	174.97

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, 2015
Risk free interest rate	8.10%-9.23%
Expected life	1.5 yrs - 7.5 yrs
Expected volatility	31.06%-48.72%
Expected dividends	1.50%

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, 2015.
Note 3: The shareholders of the Bank by way of Postal Ballot on January 17, 2015 had approved certain modifications in terms of YBL JESOP V/ PESOP II scheme (consisting of three sub-schemes JESOP V/ PESOP II/ PESOP II-2010).

Sub-table 1: Any other employee who received a grant in any one year of options, amounting to 5% or more of options granted during that year under YBL JESOP V

Name of Employee	Options granted
Jyoti Prasad Ratho	50,000
Kanwar Vivek	50,000
Manish Agarwal	30,000
Preeti Sinha	30,000
Aseem Gandhi	100,000
Neelesh Sarda	100,000

Sub-table 2: Any other employee who received a grant in any one year of options, amounting to 5% or more of options granted during that year under YBL PESOP II 2010

Name of Employee	Options granted
Ashish Agarwal	150,000
Sanjay Palve	200,000

Subsidiary Company

As on March 31, 2015, your Bank has one Subsidiary, YES Securities (India) Limited (YSIL).

Performance and Financial Positions of YSIL

YES Securities (India) Limited successfully completed its first full financial year of operations in March 2015. As on March 31, 2015, YSIL has 14,420 clients. Clients are offered 3 products from the group – A Current/ Savings Account and a Demat account from your Bank, and a Trading account from YSIL. With a view to provide customers with mobile access to its services, YSIL has launched the YES INVEST mobile application for smart phones – Android, Apple and Blackberry Systems. During the FY 2014-15, YSIL has earned a total revenue of ₹ 443 Lakhs as against ₹ 54 Lakhs in the previous year. YSIL has incurred a loss of ₹ 793 Lakhs in FY 2014-15 as compared to loss of ₹ 652 Lakhs in FY 2013-14. YSIL monthly trading turnover has increased from ₹ 10 Crores in April 2014 to approx ₹ 290 Crores in March 2015. Further, Brokerage income has grown from ₹ 0.32 Lakhs in April 2014 to ₹ 44 Lakhs in March 2015. The overall trading volume from the institutional segment for the year ended March 31, 2015 was ₹ 343 Crores.

Directors

Your Bank has Ten (10) Directors consisting of Seven (7) Independent Directors, Two (2) Non-executive Directors and Managing Director & Chief Executive Officer (MD & CEO) as on March 31, 2015.

Independent and Non-Independent Non-Executive Directors

In terms of the definition of 'Independence' of Directors as prescribed under Clause 49 of the Listing Agreement entered with Stock Exchanges and Section 149(6) of the Companies Act, 2013 and based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:-

1. Mr. Ajay Vohra
2. Lt. Gen. (Retd.) Mukesh Sabharwal
3. Mr. Diwan Arun Nanda
4. Mr. Ravish Chopra
5. Mr. Brahm Dutt
6. Mr. Vasant V. Gujarathi
7. Mr. Saurabh Srivastava

Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a company shall have at least one Woman Director on the Board of the company. Your Bank has Ms. Radha Singh as Director on the Board of the Bank since April 2008, who is presently the Chairperson of the Bank.

Managing Director & Chief Executive Officer (MD & CEO)

Mr. Rana Kapoor has been serving as the Managing Director & CEO of the Bank since September 1, 2004, with the approval of Reserve Bank of India (RBI) and the shareholders, from time to time.

The Board of Directors of the Bank at their meeting held on April 22, 2015 has approved the re-appointment of Mr. Rana Kapoor as MD & CEO subject to the approval of the shareholders and the Reserve Bank of India. Accordingly, the approval of shareholders is being sought for his re-appointment as MD & CEO of the Bank for a period of 3 years subject to RBI approval.

Appointments/Resignations from the Board of Directors

During the year under review, Lt. Gen. (Retd.) Mukesh Sabharwal, Mr. Ravish Chopra, Mr. Brahm Dutt, Mr. Saurabh Srivastava and Mr. Vasant V. Gujarathi, were appointed as Independent Directors by the shareholders for a term of five (5) years.

Ms. Radha Singh was appointed as an Independent Director for a period of Two (2) years. Subsequently, pursuant to the recommendations of the Board of Directors of the Bank, the RBI approved the appointment of Ms. Radha Singh as the Non-Executive Part-Time Chairperson of the Bank for a period of two (2) years from the date of her taking charge i.e. from October 30, 2014 which was subsequently taken on record by the shareholders by way of Postal Ballot including approval of terms of appointment. In terms of the aforesaid approvals, she is continuing as the Non-Executive Part-time Chairperson of the Bank and she is also eligible for remuneration including sitting fee. Accordingly, she is a Non-Executive Non-Independent Director of the Bank with effect from October 30, 2014.

The proposal for appointment of Mr. Ajay Vohra and Mr. Diwan Arun Nanda, as Independent Directors is being placed before the shareholders for approval, the relevant details are forming part of the AGM notice.

There were no resignation of Directors during the year.

Appointments/Resignations of the 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 were already in office before the commencement of the Companies Act, 2013.

None of the Key Managerial Personnel has resigned or appointed during the year under review.

Directors Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. M. R. Srinivasan being longest in the office shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Number of Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming financial year is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, certain business decisions are taken by the Board through circulation from time to time.

The Board met four (4) times during the FY 2014-15 viz. on April 23, 2014, July 23, 2014, October 30, 2014 and January 14, 2015. Detailed information on the meetings of the Board are included in the report on Corporate Governance, which forms part of this Annual Report.

Additionally, several committee meetings were held including Audit Committee meeting, which met six (6) times during the year.

Committees of the Board

The Bank has several committees 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
- Fraud Monitoring Committee
- Risk Monitoring Committee
- Board Credit Committee
- Service Excellence, Branding and Marketing Committee
- IT Strategy Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Capital Raising Committee
- Committee of Independent Directors

The details with respect to the compositions, powers, roles, terms of reference, etc. of relevant committees are given in details in the 'Report on Corporate Governance' of the Bank 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 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**.

Performance Evaluation of the Board

The Nomination and Remuneration Committee at its meeting held on October 29, 2014 and the Board of Directors at its meeting held on October 30, 2014 respectively, had 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 statement indicating the manner in which formal annual evaluation of the Directors, the Board and Board level Committees are given in detail in the report on Corporate Governance, which forms part of this Annual Report.

The performances of the members of the Board, the Board level Committees and the Board as a whole were evaluated at the meeting of the Committee of Independent Directors and the Board of the Directors held on April 22, 2015.

Corporate Governance

Your Bank is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators/applicable laws. Accordingly, 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.

A separate section on Corporate Governance standards followed by your Bank, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is enclosed as an Annexure to this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

A Certificate from M/s. Mehta and Mehta, Practicing Company Secretaries, conforming compliance to the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to this Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India is presented in a separate section forming part of this Annual Report.

Vigil Mechanism

The Bank has implemented a Whistle Blower Policy pursuant to which Whistle Blowers can raise concerns relating to Reportable Matters (as defined in the policy) such as breach of YES BANK Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/ misappropriation of bank funds/assets, etc. Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance and also available on the website of the Bank (www.yesbank.in).

Risk Management Policy

Your Bank has Board approved various Risk Management Policies and an Internal Capital Adequacy Assessment (ICAAP) Policy wherein all material risks faced by the Bank (Pillar I & II risks) are identified and assessed. For each of the Risks identified in the ICAAP, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

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 in the Annual Report.

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.

Considering the nature of the industry in which the Bank operates, transactions with related parties of the Bank are in the ordinary course of business specially w.r.t. banking transactions which are also on arms' length basis. All such Related Party Transactions are placed before the Audit Committee for approval, wherever applicable. 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 (http://www.yesbank.in/investor-relations/corporate-governance.html).

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 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 11th Annual General Meeting of the Bank along with the laying of 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, 2015 form part of this Annual Report.

Internal Financial Control Systems and their Adequacy

Your Bank had laid down set of standards, processes and structure which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively.

Auditors

(a) Statutory Auditors

M/s. S. R. Batliboi & Co, LLP, Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment, 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 re-appointment of M/s. S. R. Batliboi & Co, LLP, Chartered Accountants, as the Statutory Auditors of the Bank to hold office from the ensuing AGM till the conclusion of the next AGM on remuneration to be decided by the Board or Committee thereof to the shareholders for approval.

(b) Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act 2013, your Bank had appointed M/s BNP & Associates, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct the secretarial audit of the Bank for the FY 2014-15. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2014-15 is annexed to this report as **Annexure 2.**

There is no Audit Qualifications in the Statutory Auditors Report and in the Secretarial Audit Report as annexed elsewhere in this Annual Report.

Business Responsibility Report

The Securities and Exchange Board of India through its circular CIR/CFD/DIL/8/2012 dated August 13, 2012, has mandated the top 100 listed entities, based on the market capitalization on BSE Limited and National Stock Exchange of India Limited as at March 31, 2012, to include the Business Responsibility Report (BRR) as part of the Annual Report. Accordingly, your Bank's Business Responsibility Report has been included in this 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, 2015 and the date of the Directors' report i.e. April 22, 2015.

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 at the Registered Office of your Bank. Copies 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 employee's remuneration and other details in terms of sub-section 12 of Section 197 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.**

Statutory Disclosures

(1) The disclosures 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 explained as under:

(A) Conservation of Energy

✓ Environmental stewardship in the financial sector – ISO 14001:2004 **Environmental Management System** (EMS) certification for the Bank

ISO 14001:2004 which is world's leading Environmental Management System certification is rare in the BFSI space with only a few international banks achieving it. In line with its commitment to achieve internal natural resource consumption efficiencies and minimizing its carbon footprint, your Bank became the first commercial bank in India to achieve the ISO 14001:2004 certification in 2013 getting 12 of its locations certified. In FY 2014-15, 67 additional sites across India were certified making a total of 79 locations ISO 14001:2004 certified including 76 major cluster hub Branches and 3 corporate offices. The certification enables the Bank to rigorously measure, manage and report its carbon footprint and is a proactive step towards mitigating adverse impact on the environment.

(i) the steps taken or impact on conservation of energy;

✓ LED tube lights project at Corporate Office at Indiabulls Finance Centre (IFC), Mumbai: The conventional (T5) tube lights were replaced with LED lights in IFC. The installation of 2714 LED tube lights will lead to a saving of 196,765 KWhr of energy per year.

✓ Installation of Global Positioning System (GPS) in office runners: GPS tracking devices were installed in two wheelers across National Capital Region (NCR) region in phases to track the km running on actual & save on fuel cost.

(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 pilot projects which may be considered for implementation

in future and your Bank would continue to explore alternative sources of energy in future.

(iii) **the capital investment on energy conservation equipments:** ₹ 38.11 Lakhs (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 IT to deliver superior products and services to the customers, including innovations like Money Monitor, Mobile Banking, One view of customer relationship and most advanced voice enabled IVR.

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.

(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 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.

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)

(a) Details of Technology Imported	(b) Year of Import	(c) Whether the Technology been fully absorbed	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
IBM Pseries P7, Xseries, V7000 and SAN Switch	October, 2012	Yes	NA
Oracle sun server X3-2 and Oracle Solaris cluster, Enterprise Edition- Processor perpetual	October, 2012	Yes	NA
IBM Xseries Server and FC Cards	July, 2013	Yes	NA
VTL Backup Solution for Enterprise backup	December, 2013	Yes	NA
Hardware Purchase fo BI platform refresh, Contact Center upgrade and Capacity upgrade	December, 2013	Yes	NA

(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, 2015, the Bank earned ₹ 78.10 Crores and spent ₹ 265.20 Crores in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

(2) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Bank's operations in future.

(3) 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.

Your Bank has Zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive working in the Bank. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Number of complaints pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	Seven
Number of complaints pending as on the end of the financial year	Nil

(4) No stock options were issued to the Directors' of your Bank.

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, 2015 forms part of this report as **Annexure 4.**

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.

Acknowledgement

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 co-operation, support and guidance. Your Directors would like to express a profound sense of appreciation for the commitment shown by the employees in supporting the Bank in its continued robust performance on all fronts. 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 'To be the Finest Quality Bank of the World in India by 2020'.

For and on behalf of the Board of Directors

Rana Kapoor
Managing Director & CEO
(DIN No: 00320702)

Radha Singh
Non-Executive Part-time Chairperson
(DIN No: 02227854)

Place: Mumbai
Date: April 22, 2015

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 Limited's CSR Policy

Your bank, since inception has believed in creating sustained value for its stakeholders through social, economic and environmental interventions. The bank, through its Responsible Banking ethos aims to enhance value creation and is committed towards playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. With a vision of becoming the benchmark financial institution for inclusivity and sustainability, the bank formulated a Corporate Social Responsibility (CSR) policy to deliver internal and external positive socio-environmental impact while ensuring focused contribution towards CSR. The policy applies to Bank's corporate offices, national operating centres and branch locations within India.

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 various activities during the year which positively impacted lives. Key initiatives undertaken:

- ✓ Supplementary and higher education
- ✓ Employability training
- ✓ Awareness and educating communities on environmental and social topics of national importance
- ✓ Accessibility to safe and clean drinking water
- ✓ Women's safety
- ✓ Women and child healthcare
- ✓ Environmental conservation

Web-Link to the CSR Policy

http://www.yesbank.in/images/all_pdf/YBL_Corporate_Social_Responsibility_Policy.pdf

Composition of CSR Committee

Your bank recognizes its responsibility towards the society and environment in which it operate and accordingly had been working towards CSR and Sustainable Development focusing on the 'Triple Bottom line' ethos' since its inception. Your bank has constituted Corporate Social Responsibility Committee to monitor the CSR activities.

Members of the committee are:

1. Ms. Radha Singh (Chairperson of the Committee) (Non-Executive Part-time Chairperson of the Board)
2. Mr. Diwan Arun Nanda (Independent Director)
3. Mr. Brahm Dutt (Independent Director)
4. Mr. Ravish Chopra (Independent Director)
5. Mr. Rana Kapoor (MD&CEO)

Average net profit before tax of the Company for last three financial years

₹ 1,901.35 Crores

Prescribed CSR Expenditure (two per cent of the amount as above)

₹ 38.02 Crores

Details of CSR spent during the financial year.

a. Total amount to be spent for the financial year : ₹ 25.00 Crores
The bank has spent ₹ 15.71 Crores during FY 2014-15

b. Amount unspent, if any: ₹ 9.29 Crores (Environmental sustainability projects allocated against this amount would now be considered for FY 2015-16)

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

S. 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 Subheads: (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 Preventive Healthcare, Sanitation, Education & empowering women	Pan India	3.97 Crores	3.97 Crores	3.97 Crores	Direct
2	**YES RISE** (Rural Impact through Sustainable Enterprises)	✓ Making available Safe Drinking Water ✓ Promoting Preventive Healthcare, Sanitation & Education	Maharashtra, Rajasthan, Madhya Pradesh, Kerala, Tamil Nadu	4.53 Crores	4.73 Crores	4.73 Crores	Direct
3	**Say YES to Sustainable MSMEs in India**	✓ Ensuring Environment Sustainability ✓ Promoting preventive healthcare & Education	Punjab, Uttar Pradesh, Maharashtra, New Delhi	0.49 Crores	0.43 Crores	0.43 Crores	Foundation for MSME Clusters (FMC)
4	**YES STEADY** (Skills Training and Enhancement for Development of Youth)	✓ Promoting Education ✓ Livelihood Enhancement	Pan India	1.78 Crores	1.89 Crores	1.89 Crores	Direct & Deshpande Foundation
5	**Natural Capital Initiatives**	✓ Ensuring Environment Sustainability ✓ Promoting Education	Pan India	0.94 Crores	0.94 Crores	0.94 Crores	Direct
6	**Donation to YES Foundation**	✓ Promoting Education	Pan India	3.00 Crores	3.00 Crores	3.00 Crores	YES FOUNDATION
7	Expenditure on administrative overheads				0.75 Crores		
				TOTAL	**15.71 Crores**		

Your bank has integrated sustainability and responsible banking as part of its ethos since inception and continuously works towards becoming the benchmark financial institution for inclusivity and sustainability. Your bank believes in creating stakeholder value through projects based on unique models with scalable and sustainable impact and through its CSR interventions has been able to touch more than 700,000 lives in FY 2014-15. Access to safe and clean drinking water, a critical issue has been addressed by providing community water systems and household innovative technology based water filters to families in remote rural locations. The issue of education and school drop outs has been addressed through 116 Community Knowledge centres that are providing supplementary education to children from under privileged localities. In addition, access to gynaecology intervention amongst women has been addressed through 196 special health camps and provided sanitary napkins. Your bank's focus on the critical MSME sector through focused interventions has helped educate and aid 70 MSMEs on energy efficiency in operations and occupational health and safety. YES COMMUNITY, a unique community engagement initiative to catalyze positive action, leverages your bank's nationwide branch network to create awareness on socio-environmental issues of national importance. Your bank also actively nurtures talent through education, scholarships and skills training to provide employability.

Your bank would scale up these projects in the next fiscal. In addition, as a public trust institution, your bank also works extensively on livelihood enhancement programs especially with women, financial inclusion with migrants, and positive impact sectors like renewable energy sector. While these interventions may not fall under the ambit of the definition of CSR under the Companies Act 2013, it helps create a larger socio-economic impact. For your bank it is mission critical to contribute to the betterment of society and environment and therefore channelize its resources appropriately. In FY 2014-15, the Bank realigned its existing CSR activities approach in line with the rules, and formulated strategic projects and alliances with reputed partners post due diligence. Having spent 0.83% towards CSR as per Section 135 of the Companies Act 2013, this year, your Bank is committed to increase its CSR impact and spend over the coming years, supplemented by its continued focus towards sustainable development and responsible banking.

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	**Radha Singh**
Managing Director & CEO	Chairperson – CSR Committee

ANNEXURE 2

SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To
The Members
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 corporate practices by YES BANK Limited (hereinafter called 'the Bank') for the audit period covering the financial year ended on March 31, 2015. 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 Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Bank has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March, 31 2015 according to the provisions of:

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

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

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

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

(v) The 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, 1992;

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

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee

Stock Purchase Scheme) Guidelines, 1999; and 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;

(vi) The Banking Regulation Act, 1949.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Bank with the Stock Exchanges.

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

During the period under review, provisions of the following regulations were not applicable to the Bank:

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

(iii) Secretarial Standards issued by The Institute of Company Secretaries of India (since not approved by the Central Government);

We further report that –

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Bank were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that –

There are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has:

(i) issued 10,000 Green Infrastructure Bonds of ₹ 1,000,000/- each aggregating to ₹ 1,000 Crores during the period under review.

(ii) issued 53,492,272 Equity Shares of ₹ 10/- each at a price of ₹ 550/- per share aggregating to ₹ 2,942.07 Crores as placement to qualified institutions.

For **BNP & Associates**
Company Secretaries

Keyoor Bakshi
Partner
FCS 1844 / CP No. 2720

Place: Mumbai
Date: April 22, 2015

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 of the Companies Act, 2013 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	107.7x
		M. R. Srinivasan	3.1x
		Radha Singh	4.0x
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	MD & CEO	29.7%
		CFO (GN1)	19.6%
		CS	58.1%
		Radha Singh	NA
		M. R. Srinivasan	NA
		For Ms. Radha Singh and Mr. M. R. Srinivasan, there is no increase/increment applicable as their tenure is contractual with fixed remuneration as approved by RBI.	
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 13.9%. 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 10,810 employees as on March 31, 2015	
V	The explanation on the relationship between average increase in remuneration and Bank performance	Factors considered while recommending increase in the fixed compensation: (a) Financial performance of the Bank (b) Comparison with peer Banks (c) Industry Benchmarking and consideration towards cost of living adjustment/inflation (d) Regulatory guidelines as applicable (e) All forms of compensation (fixed, variable, ESOPs) to be consistent with risk alignment (f) ESOP schemes, which are part of the 'Sum-of-Parts' Compensation on a mid to long term basis, are prepared in accordance with SEBI and other Regulatory guidelines which are approved by the Nomination and Remuneration Committee, Board of Directors and Shareholders. Average increase in employee remuneration for the FY 2014-15 is 14.5% (Computed based on Weighted Average basis considering TCC + Approved Bonus. The calculation of average increase in employee remuneration is done based on comparable employees. For this we have excluded employees who were not eligible for any increment).	

Sr. No.	Requirements	Disclosure
		As mentioned above the Bank follows holistic performance review mechanism to ensure that the increase is commensurate with the effort and it is aligned with the performance of the Bank.
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Bank	For the FY 2014-15, KMPs were paid approx 0.6% of the net profit for the year.
VII	Variations in the market capitalization of the Bank, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Bank in comparison to the rate at which the Bank came out with the last public offer	The Market capitalization of the Bank has increased from ₹ 14,928.43 Crores as of March 31, 2014 to ₹ 34,076.82 Crores as of March 31, 2015. Over the same period, the price to earnings ratio moved from 9.2x to 16.6x. The YES BANK Limited stock price as at March 31, 2015 has increased by 1,712.78% to ₹ 815.75 over the last public offering, i.e. IPO in June 2005 at the price of ₹ 45 per share.
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.
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Bank	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Bank is as under : **Particulars** — **% of Net Profit for FY 2014-15** MD & CEO — 0.23% CFO — 0.34% CS — 0.04%
X	The key parameters for any variable component of remuneration availed by the directors	The broad factors and guidelines considered for the Performance Bonus are: (a) Annual Performance Review based on the Key Result Areas (KRAs) / measurable Key Performance Indicators (KPIs). (b) Financial outcomes and profitability of the Bank (c) Risk factors which shall be symmetrical with risk outcomes as well as sensitive to the time horizon of risk (d) Variable pay shall not exceed 70% of fixed pay in a year (e) Where variable pay is 50% or more, 40-60% shall be deferred over a minimum period of 3 years (f) In the event of a negative contribution, deferred compensation shall be subject to appropriate malus/claw back arrangements as decided by the Nomination and Remuneration Committee.

Sr. No.	Requirements	Disclosure
		(g) Regulatory guidelines as applicable. (RBI/ Shareholders approval) The Variable component of remuneration is considered for MD&CEO.
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	There are 3 Top Management Executives who are not directors but receive remuneration in excess of the highest paid director during the year: (GN1)
		Employee 1: Senior Group President - FM & CFO — 1.45x
		Employee 2: Senior Group President & Senior MD — 1.38x
		Employee 3: Senior Group President — 1.10x
XII	Affirmation that the remuneration is as per the remuneration policy of the Bank	**Yes, it is confirmed**

General Notes (GN)

(1) ✓ Remuneration in case of MD & CEO is regulated by RBI guidelines.

✓ In case of the CFO, he is also responsible for Financial Markets (FM); Indian Financial Institutions (IFI); Loans Syndication (LS); International Banking (IBD); Multinational Corporations Relationship Management (MNC); Transaction Banking Group (TBG -Trade & CMS); Technology Solutions Group (TSG); Digital Banking; Corporate Operations Service Delivery (COSD) and Financial & Investor Strategy (FIS). He is also 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. Similarly, the remuneration of the other two top management executives is also linked to the market and is commensurate with their diverse responsibilities and experience.

(2) The Remuneration for the purpose of this table is defined as "Total Cost to the Company (TCC) + Approved Bonus" for all the employees except for KMPs. KMPs remuneration is as per the Form 16 (on an annualized basis) excluding stock option exercised since it does not form part of TCC.

ANNEXURE 4

Extract of Annual Return as on the financial year ended on March 31, 2015

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 - 400018
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel.: 040 6716 1559 Contact Persons: Ms. Shobha Anand / Mr. U. S. Singh

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:-

Sl. 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%
2			
3			

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. 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 1, 2014 i.e. on the basis of SHP of March 31, 2014)				No. of Shares held at the end of the year (as on March 31, 2015 i.e. on the basis of SHP of March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/Promoters Group									
(1) Indian									
a) Individual / HUF	55,125,000	0	55,125,000	15.29	55,125,000	0	55,125,000	13.20	-2.09
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	37,017,450	0	37,017,450	10.26	37,017,450	0	37,017,450	8.86	-1.40
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other...	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	**92,142,450**	**0**	**92,142,450**	**25.55**	**92,142,450**	**0**	**92,142,450**	**22.06**	**-3.49**
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter/Promoters Group (A) = (A)(1)+(A)(2)	**92,142,450**	**0**	**92,142,450**	**25.55**	**92,142,450**	**0**	**92,142,450**	**22.06**	**-3.49**

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2014 i.e. on the basis of SHP of March 31, 2014)				No. of Shares held at the end of the year (as on March 31, 2015 i.e. on the basis of SHP of March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	23,046,094	0	23,046,094	6.39	35,033,101	0	35,033,101	8.39	2.00
b) Banks / FI	1,060,368	0	1,060,368	0.29	560,535	0	560,535	0.13	-0.16
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	51,509,003	0	51,509,003	14.28	50,709,841	0	50,709,841	12.14	-2.14
g) FIIs	136,985,389	0	136,985,389	37.98	188,203,096	0	188,203,096	45.05	7.07
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Qualified Foreign Investor)	700	0	700	0	0	0	0	0	0
Sub-total (B)(1):	**212,601,554**	**0**	**212,601,554**	**58.95**	**274,506,573**	**0**	**274,506,573**	**65.71**	**6.76**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	7,323,228	0	7,323,228	2.03	10,935,724	0	10,935,724	2.62	0.59
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	27,912,923	21,101	27,934,024	7.75	23,241,054	21,621	23,262,675	5.57	-2.18
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	13,335,381	0	13,335,381	3.70	12,305,851	0	12,305,851	2.95	-0.75
c) Others (Foreign National, HUF, Clearing members, NRIs, Trusts)	7,296,989	0	7,296,989	2.02	4,582,825	0	4,582,825	1.10	-0.92
Sub-total (B)(2):	**55,868,521**	**21,101**	**55,889,622**	**15.50**	**51,065,454**	**21,621**	**51,087,075**	**12.23**	**-3.27**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**268,470,075**	**21,101**	**268,491,176**	**74.45**	**325,572,027**	**21,621**	**325,593,648**	**77.94**	**3.49**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**360,612,525**	**21,101**	**360,633,626**	**100.00**	**417,714,477**	**21,621**	**417,736,098**	**100.00**	**0**

(ii) Shareholding of Promoters/Promoters Group

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2014 i.e. on the basis of SHP of March 31, 2014)			Share holding at the end of the year (as on March 31, 2015 i.e. on the basis of SHP of March 31, 2015)			
		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	% change in share holding during the year
1.	Rana Kapoor (Promoter)	20,000,000	5.55	0	20,000,000	4.79	0	-0.76
2.	Yes Capital (India) Private Limited (Promoter Entity)	15,125,000	4.19	0	15,125,000	3.62	0	-0.57
3.	Morgan Credits Private Limited (Promoter Entity)	14,050,000	3.90	0	14,050,000	3.36	0	-0.54
4.	Madhu Kapur And Family#	35,125,000	9.74	0.93	35,125,000	8.41	0.80	-1.33
5.	MAGS Finvest Private Ltd #	7,842,450	2.17	0.22	7,842,450	1.88	0	-0.29
TOTAL		**92,142,450**	**25.55**	**1.15**	**92,142,450**	**22.06**	**0.80**	**-3.49**

The term 'encumbrance' has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011
 # subject to regulatory clarifications

(iii) Change in Promoters'/Promoters' Group Shareholding (please specify, if there is no change)

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2014 i.e. on the basis of SHP of March 31, 2014)		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 Promoters/Promoters' Group has not changed in absolute terms. 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 QIP during the year ended March 31, 2015.*

(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		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the Bank	Increase	Decrease	No. of shares	% of total shares of the Bank
1.	Life Insurance Corporation of India alongwith its various schemes	30,942,096	8.58	0	360300	30,581,796	7.32
2.	Morgan Stanley Asia (Singapore) Pte.	90,279	0.03	11,514,940	0	11,605,219	2.78
3.	DB International (Asia) Ltd	5,197,484	1.44	5,691,773	0	10,889,257	2.61
4.	Franklin Templeton Investment Funds	6,975,286	1.93	3,306,367	0	10,281,653	2.46
5.	Goldman Sachs (Singapore) Pte.	838,030	0.23	7,782,894	0	8,620,924	2.06
6.	Bajaj Allianz Life Insurance Company Ltd.	10,295,645	2.85	0	2,533,315	7,762,330	1.86
7.	Swiss Finance Corporation (Mauritius) Limited	351,940	0.10	6,831,171	0	7,183,111	1.72
8.	Credit Suisse (Singapore) Limited	2,225,163	0.62	4,286,929	0	6,512,092	1.56
9.	Citigroup Global Markets Mauritius Private Limited	621,780	0.17	5,162,988	0	5,784,768	1.38
10.	GMO Emerging Markets Fund	0	0	4,255,449	0	4,255,449	1.02

Note: Top ten shareholders of the Bank as on March 31, 2015 has been considered for the above disclosure.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director and KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of the Bank	Increase	Decrease	No. of shares	% of total shares of the Bank
	Directors						
1.	Saurabh Srivastava*	1,950	0.00	-	340	1,610	0.00
2.	Vasant V. Gujarathi*	100	0.00	900	-	1,000	0.00
3.	Rana Kapoor	20,000,000	5.55	-	-	20,000,000	4.79
	KMPs						
1.	Rajat Monga (CFO)	501,271	0.14	250,000	-	751,271	0.18
2.	Shivanand Shettigar (CS)	450	0.00	-	-	450	0.00

**appointed w.e.f. April 23, 2014.*

V. Indebtedness

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

₹ in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,130	18,184	-	21,314
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6	342	-	348
Total (i+ii+iii)	**3,136**	**18,526**	**-**	**21,662**
Change in Indebtedness during the financial year				
✓ Addition	320,303	105,068	-	425,371
✓ Reduction	321,029	99,294	-	420,323
Net Change	**(726)**	**5,774**	**-**	**5,048**
Indebtedness at the end of the financial year				
i) Principal Amount	2,400	23,821	-	26,221
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	10	479	-	489
Total (i+ii+iii)	**2,410**	**24,300**	**-**	**26,710**

**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)	36,810,828	0	0	36,810,828
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,252,139	0	0	8,252,139
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
	✓ Granted during the year				
	✓ Exercised during the year				
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
	✓ as % of profit				
	✓ others, specify...				
5.	Others (Company contribution towards PF, Medical Reimbursement)	1,902,096	0	0	1,902,096
	Total (A) (Total of remuneration does not include the number of Stock Options)	**46,965,063**	0	**0**	**46,965,063**
	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 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	Ravish Chopra	M. R. Srinivasan	Ajay Vohra	Lt. Gen. (Retd.) Mukesh Sabharwal	Vasant Gujarathi	Brahm Dutt	Saurabh Srivastava	
(1)	Independent Directors										
	✓ Fee for attending board / committee meetings		240,000	1,050,000*		180,000	1,150,000	700,000**	670,000#	310,000	
	✓ Commission	-	-	-	-	-	-	-	-	-	
	✓ Others, please specify	-	-	-	-	-	-	-	-	-	
	Total (1)		**240,000**	**1,050,000**		**180,000**	**1,150,000**	**700,000**	**670,000**	**310,000**	**4,300,000**
(2)	Other Non-Executive Directors										
	✓ Fee for attending board / committee meetings	920,000			700,000@						
	✓ Commission	-			-						
	✓ Others, please specify (Fixed pay, pension, LTA, Bonus and medical)	759,677			286,667						
	Total (2)	**1,679,677**	**0**	**0**	**986,667**						**2,666,344**
	Total (1+2)	**1,679,677**	**240,000**	**1,050,000**	**986,667**	**1,80,000**	**1,150,000**	**700,000**	**670,000**	**310,000**	**6,966,344**
	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 limit.

@ For the meetings attended after he ceased to be Part-Time Chairman w.e.f June 26, 2014
**Includes ₹ 180,000 as sitting fees for attending the Committee Meetings as Invitee*
*** Includes ₹ 70,000 as sitting fees for attending the Committee Meetings as Invitee*
#Includes ₹ 180,000 as sitting fees for attending the Committee Meetings as Invitee

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

In ₹

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount
		CFO	CS	
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)	64,943,745	8,300,294	73,244,039
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,412,150	2,700	1,414,850
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option ✓ Granted during the year	0	***(20,000)***	***(20,000)***
3.	Sweat Equity	0	0	0
4.	Commission			
	- as % of profit			
	- others, specify...	0	0	0
5.	Others (Company contribution towards PF, Medical Reimbursement)	1,808,594	259,200	2,067,794
	Total (Total of remuneration does not include the number of Stock Options)	**68,164,489**	**8,562,194**	**76,726,683**

VII. Penalties / Punishment/ Compounding of Offences

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

Note: It is to be noted that "Satyam Computers Services Limited" filed a civil case against all Partners of the firm PriceWaterhouse Coopers (PWC), Chartered Accountants, where Mr. Vasant V. Gujarathi (Independent Director) was a partner, in the Hyderabad Civil Court and the case is sub-judice. As a Partner, Mr. Vasant V. Gujarathi was not involved in the audit of the said Company.

Certificate on Corporate Governance

To,
The Members of
YES BANK Limited

We have examined all relevant records of YES BANK Limited ("the Bank/Company") for the purposes of certifying compliances of conditions of Corporate Governance under the Clause 49 of the Listing Agreement entered into with National Stock Exchange of India Limited and BSE Limited (Stock exchanges) for the Financial Year ended March 31, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Bank for ensuring compliances of conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

In our opinion and to the best of our information and according to the information provided and explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

For Mehta and Mehta
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No.: 3667
CP No.: 3202

Date: April 22, 2015

Report on Corporate Governance

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 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.

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.

Board of Directors

Your Bank has a broad-based Board of Directors, constituted in compliance with the Banking Regulation Act, 1949, the Companies Act, 2013, Listing Agreement entered with the stock exchange(s) and in accordance with best practices in Corporate Governance. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, 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.

We firmly believe that Board's independence is essential to bring objectivity and transparency in the Management and in the dealings of the Bank.

The Composition of the Board of Directors of the Bank as on March 31, 2015, was as follows:

Sr. No.	Name of the Director	Category
1.	Mr. Rana Kapoor	Promoter, Managing Director & CEO
2.	Ms. Radha Singh*	Non-Executive, Part-Time Chairperson
3.	Mr. M. R. Srinivasan#	Non-Executive, Non-Independent Director
4.	Mr. Ajay Vohra	Independent Director
5.	Mr. Saurabh Srivastava**	Independent Director
6.	Lt. Gen. (Retd.) Mukesh Sabharwal	Independent Director
7.	Mr. Diwan Arun Nanda	Independent Director
8.	Mr. Brahm Dutt	Independent Director
9.	Mr. Vasant V. Gujarathi**	Independent Director
10.	Mr. Ravish Chopra	Independent Director

* *Ms. Radha Singh was appointed as Non-Executive Non-Independent Part-time Chairperson of the Board w.e.f October 30, 2014.*
** *appointed w.e.f April 23, 2014.*
\# *Mr. M. R. Srinivasan ceased to be the Part-time Chairman of the Board w.e.f June 26, 2014.*

Board Meetings

Four Board Meetings were held during the Financial Year ended March 31, 2015 i.e. April 23, 2014, July 23, 2014, October 30, 2014 and January 14, 2015. The maximum gap between any two Board meetings was less than One Hundred and Twenty days.

The names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, number of other Directorships and Committee membership(s)/chairmanship(s) of each Director are as under:

Name of the Director	Category	No. of Board meetings held	No. of Board meetings attended	Attendance at AGM held on June 14, 2014	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	4	4	Present	1	2	Nil
Ms. Radha Singh	Non-Executive, Part-Time Chairperson	4	4	Present	3	Nil	4(1)
Mr. M. R. Srinivasan	Non-Executive, Non-Independent Director	4	4	Present	Nil	Nil	Nil
Mr. Ajay Vohra*	Independent Director	4	1	Present	1	1	1
Mr. Saurabh Srivastava	Independent Director	3	2	Present	3	11	1
Lt. Gen. (Retd.) Mukesh Sabharwal	Independent Director	4	4	Present	1	Nil	1
Mr. Diwan Arun Nanda**	Independent Director	4	2	Not Present	2	7	Nil
Mr. Brahm Dutt	Independent Director	4	4	Present	1	Nil	Nil
Mr. Vasant V. Gujarathi	Independent Director	3	3	Present	1	Nil	1(1)
Mr. Ravish Chopra	Independent Director	4	4	Not Present	Nil	Nil	Nil

* *Due to unavoidable circumstances, Mr. Ajay Vohra was not able to attend few of the Board Meetings. However, he has been actively participating in the Board processes in disposal of various Board matters. He has also been actively involved in approval process of various Board and Committees resolutions through circulation. Given his professional stature and outstanding background, he has also provided important perspectives on all matters relating to taxation and legal affairs to Board from time to time.*

** *With 40 years of experience, Mr. Diwan Arun Nanda is an industry veteran and brings to the Board extensive experience in marketing, finance, communication and advertisement. Mr. Diwan Arun Nanda was not able to attend few of the Board Meetings due to medical reasons. However, he has been an active participant in the board processes and has provided valuable inputs to Board from time to time.*

[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 Clause 49 of the Listing Agreement.*

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 Clause 49 of the Listing Agreement.

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.

Board Committees

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank. These Committees monitor the activities falling within their terms of reference. Some of the Committees of the Board were reconstituted, renamed and terms of reference were revised to align with the provisions of the Companies Act, 2013, Listing Agreement and The Banking Regulation Act, 1949.

1) Audit Committee

Terms of Reference

The terms of reference of the Audit Committee include providing directions and overseeing the operation of the total audit function in the Bank (internal as well as external); creating an open avenue for communication between the Board of Directors, Internal Auditors and the Independent Auditors; 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; review and monitoring the auditor's independence and performance, and effectiveness of audit process; discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; reviewing 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:

- 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 there-under;
- accounting policies and practices and changes, if any, with reasons for the same;
- compliance with accounting standards;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- qualifications in the draft audit report;

examination of the financial statement and the auditors' report thereon; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Bank, wherever it is necessary; review of Annual Tax Audit statement and auditors' report thereon; review of annual Long Form Audit Report as prepared by the Statutory Auditors; periodic inspection report submitted by the RBI; review of Certificates/returns/reports to the RBI pertaining to the Audit Committee function; 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 coverage / frequency of internal audits; discussion and reviewing with the Internal and Concurrent Auditors their reports / findings with an objective of reporting any significant / material findings to the Board; reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularities or a failure of internal control systems of a material nature and reporting the matter to the Board; approval or any subsequent modification of transactions with related parties; institute special investigation teams with complete access to all records, information and personnel of the Bank, if necessary; scrutinize the reasons for default, if any, in payments to Depositors, Debenture holders, Shareholders, Creditors, etc. and legal matters that could have a significant impact on the financial statements; review of the Whistle blower policy and Vigil Mechanism for Directors and Employees; investigate 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; investigate any activity within its terms of reference; seek information from any employee; obtain outside legal or other professional advice; secure attendance of outsiders with relevant expertise, if it considers necessary; oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; reviewing the compliance function of the Bank on quarterly and annual basis; reviewing, 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter; approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; Management discussion and analysis of financial condition and results of operations; statement of significant related party transactions (as defined by the Audit Committee), submitted by management; management letters/letters of internal control weaknesses issued by the statutory auditors; internal audit reports relating to internal control weaknesses; to appoint, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee and to perform any other functions, duty as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority or under any applicable laws, as prescribed from time to time.

Six Audit Committee Meetings were held during FY 2014-15 i.e. April 22, 2014, July 22, 2014, August 23, 2014, October 29, 2014, January 13, 2015 and March 14, 2015 and not more than four months lapsed between two consecutive meetings of the Audit Committee.

The Composition of the Audit Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Ajay Vohra, Chairman*	Independent Director	6	3
Ms. Radha Singh$	Non-Executive Non-Independent Director	6	6
Lt. Gen (Retd.) Mukesh Sabharwal	Independent Director	6	6
Mr. M. R. Srinivasan	Non-Executive Non-Independent Director	6	6
Mr. Vasant V. Gujarathi (appointed w.e.f. April 23, 2014)	Independent Director	5	5
Mr. Brahm Dutt (appointed w.e.f. October 30, 2014)	Independent Director	2	2
Mr. Ravish Chopra (appointed w.e.f. October 30, 2014)	Independent Director	2	2

$ *Ms. Radha Singh was independent director of the Bank till October 29, 2014.*

* *Due to unavoidable circumstances, Mr. Ajay Vohra, Chairman of the Committee was not able to attend few of the Committee Meetings and accordingly, such meetings were chaired by Independent Directors for effectively discharging the role of the Committee. However, he has been actively involved in approval process of various Committees resolutions through circulation. Given his professional stature and outstanding background, he has also provided important perspectives on all matters relating to taxation and legal affairs to Committee from time to time.*

Note: Due to business exigencies, certain resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

The terms of reference of the Committee has been amended to align with the provisions of the Listing Agreement and Companies Act, 2013 during the year under review.

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) Fraud Monitoring Committee

Terms of Reference

The terms of reference include to monitor and review in detail all frauds in excess of ₹ 1 Crore; identify the systematic lacunae, if any, that facilitate perpetration of the fraud and put in place measures to plug the same; identify reasons for delay in detection, if any and reporting of frauds to top management of the Bank and the Reserve Bank of India; to monitor progress of Central Bureau of Investigation/ Police investigation and recovery position thereof; ensure 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; review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal control environment and perform 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 FY 2014-15 i.e. July 22, 2014 and March 14, 2015. The Composition of the Fraud Monitoring Committee and details of participation of the Members at the Meetings of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rana Kapoor, Chairman *	MD & CEO	2	0
Ms. Radha Singh (ceased w.e.f. October 30, 2014)	Non-Executive, Non - Independent Director	1	1
Lt. Gen (Retd.) Mukesh Sabharwal	Independent Director	2	2
Mr. Ravish Chopra	Independent Director	2	2
Mr. Brahm Dutt (appointed w.e.f. October 30, 2014)	Independent Director	1	1
Mr. Ajay Vohra	Independent Director	2	1

* *Mr. Rana Kapoor, Chairman of the Committee was not able to attend meetings of the Committee due to pre-occupancy as MD & CEO of the Bank and accordingly, such meetings were chaired by Independent Directors for effectively discharging role of the Committee.*

3) Risk Monitoring Committee

Terms of Reference

The terms of reference of the Risk Monitoring Committee include identification, monitoring and measurement of the risk profile of the Bank (including market risk, operational risk, transactional risk and credit risk); overseeing its integrated risk measurement system and review of the risk models; approval of the risk management policies and structure of risk management systems; overseeing the credit approval process; developing policies and procedures for setting of quantitative prudential limits on various products and segments of the Bank's operations; monitoring compliance of various risk parameters by operating departments; developing an integrated framework for charting/ categorizing various types of loans; determining implications on quality and review of returns and reports to the Reserve Bank of India pertaining to the Risk Monitoring function.

Four Risk Monitoring Committee meetings were held during FY 2014-15 i.e. April 22, 2014, July 22, 2014, October 29, 2014 and January 13, 2015. The Composition of the Risk Monitoring Committee and details of participation of the Members at the Meetings of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. M. R. Srinivasan, Chairman	Non-Executive Non-Independent Director	4	4
Mr. Rana Kapoor	MD & CEO	4	4
Mr. Ajay Vohra *	Independent Director	4	1
Ms. Radha Singh	Non-Executive Non-Independent Director	4	4
Lt. Gen (Retd.) Mukesh Sabharwal	Independent Director	4	4
Mr. Brahm Dutt (appointed w.e.f. October 30, 2014)	Independent Director	1	1
Mr. Ravish Chopra (appointed w.e.f. October 30, 2014)	Independent Director	1	1
Mr. Vasant V. Gujarathi (appointed w.e.f. October 30, 2014)	Independent Director	1	1

* *Due to unavoidable circumstances, Mr. Ajay Vohra was not able to attend few of the Committee Meetings. However, he has been actively involved in approval process of various Committees resolutions through circulation. Given his professional stature and outstanding background, he has also provided important perspectives on all matters relating to taxation and legal affairs to the Committee from time to time.*

Note: Due to business exigencies, certain resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

4) Board Credit Committee:

The Board of Directors at its Meeting held on July 23, 2014 had constituted a Board Credit Committee comprising of 4 Non-Executive Directors and MD & CEO.

Terms of Reference

The terms of reference of the Board Credit Committee includes approval of credit proposals that are beyond the approval authority of the Management Credit Committee (MCC) - Executive Level Committee; to review specific cases that might need special attention as and when recommended by MCC; to review and confirm the order of the "Committee for classification of borrowers as willful defaulters" in respect of "Non-Cooperative Borrowers"; to decide and recommend to the Board on removal of names from the list of "Non-Cooperative Borrowers" as reported to Central Repository of Information of Large Credits (CRILC); to review, note and decide on any matter pertaining to "Non-Cooperative Borrowers" and to perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

The Terms of Reference of the Board Credit Committee has been modified by the Board of Directors at its Meeting held on January 14, 2015.

Four Board Credit Committee meetings were held during FY 2014-15 i.e. October 17, 2014, October 29, 2014, January 13, 2015 and March 14, 2015. The Composition of the Board Credit Committee and details of participation of the Members at the Meetings of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. M. R. Srinivasan, Chairman#	Non-Executive Non-Independent Director	4	4
Mr. Rana Kapoor	MD & CEO	4	2
Ms. Radha Singh	Non-Executive Non-Independent Director	4	4
Lt. Gen (Retd.) Mukesh Sabharwal	Independent Director	4	4
Mr. Ravish Chopra	Independent Director	4	4

 # Mr. M. R. Srinivasan participated meeting held on October 17, 2014 through video conferencing.

Note: Due to business exigencies, certain resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

5) Service Excellence, Branding and Marketing Committee (Earlier Known as Service Excellence Committee)

Terms of Reference

The terms of reference include reviewing of the product approval process; formulating comprehensive deposit policy; conducting and reviewing annual survey of depositor satisfaction; taking measures for enhancing the quality of customer service; improving the level of customer satisfaction for all categories of clientele; to review branding and marketing activities of the bank and perform 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 2014-15 i.e. July 22, 2014 and January 13, 2015. The Composition of the Service Excellence, Branding and Marketing Committee and details of participation of the Members at the Meetings of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Diwan Arun Nanda * (Chairman w.e.f. April 23, 2014)	Independent Director	2	0
Mr. Rana Kapoor (appointed w.e.f July 23, 2014)	MD & CEO	1	1
Lt. Gen (Retd.) Mukesh Sabharwal	Independent Director	2	2
Mr. Ravish Chopra	Independent Director	2	2
Mr. Saurabh Srivastava (appointed w.e.f. April 23, 2014)	Independent Director	2	1

* *Mr. Diwan Arun Nanda, Chairman of the Committee was not able to attend Committee Meetings due to medical reasons and accordingly, the said meetings were chaired by Independent Directors for effectively discharging role of the Committee. However, he has been an active participant in the board processes and has provided valuable inputs to Board committee, on various matters from time to time.*

6) IT Strategy Committee

Terms of Reference

The terms of reference of the Committee include perform oversight functions over the IT Steering Committee (at a senior management level); to investigate activities within this scope; to seek information from any employee; to obtain outside legal or professional advice; to secure attendance of outsiders with relevant expertise, if it considers necessary; to work in partnership with other Board committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies; to approve IT strategy and policy documents; to review that the management has put an effective strategic planning process in place; to ratify the IT strategy in alignment with the business strategy; to provide guidance on the IT organizational structure to complement the business model; to review whether the management has implemented processes and practices that ensure that the IT delivers value to the business; to review that IT investments represent a balance of risks and benefits and that budgets are acceptable; to monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; to review whether there is a proper balance of IT investments for sustaining bank's growth; to become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks; to assess Senior Management's performance in implementing IT strategies; to issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks); to confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT; to oversee the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks; to review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value) and to perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

The Committee was constituted at the Board Meeting held on April 23, 2014 and the Terms of Reference and Composition of the said Committee was modified by the Board on October 30, 2014.

Three IT Strategy Committee meetings were held during FY 2014-15 i.e. July 23, 2014, October 30, 2014 and January 13, 2015. The Composition of the IT Strategy Committee and details of participation of the Members at the Meetings of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Saurabh Srivastava, Chairman	Independent Director	3	2
Mr. Ravish Chopra	Independent Director	3	3
Mr. Vasant V. Gujarathi	Independent Director	3	3
Mr. Diwan Arun Nanda (appointed w.e.f. October 30, 2014)*	Independent Director	1	0

** Mr. Diwan Arun Nanda, was not able to attend the Committee Meetings due to medical reasons. However, he has been an active participant in the board processes and has provided valuable inputs to Board/Committees on various matters from time to time.*

7) Nomination & Remuneration Committee:

In terms of the revised Clause 49 of the Listing Agreement and the provisions of Companies Act, 2013, it is mandatory for all listed companies to constitute a Nomination & Remuneration Committee (N&RC) to take care of the nomination of Directors, KMP, etc. and remuneration related matters of the Directors, KMPs and Employees, etc. Whereas, the Bank had two Committees to take care of these matters, namely, Nominations & Governance Committee (N&GC) which was taking care of evaluating the candidate for appointment on the Board, reviews Fit & Proper requirements, disclosures and declarations made by the Directors, etc. and the Board Remuneration & Human Capital Management Committee (BR&HCM) which was taking care of the remuneration and compensation related matters of the Directors and the employees of the Bank including the ESOP related matters.

Therefore, the Board at its meeting held on October 30, 2014 has approved the merger of Nominations & Governance Committee (N&GC) and Board Remuneration & Human Capital Management Committee (BR&HCM) and constituted the Nomination & Remuneration Committee (N&RC), whereby the terms of reference of both the Committees i.e. N&GC and BR&HCM Committee were merged to form the comprehensive terms of reference of the Nomination & Remuneration Committee.

Terms of Reference

The Terms of Reference of the Nomination & Remuneration Committee include review of current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval; to examine the qualification, knowledge, skill sets and experience of each director vis-a-vis the Bank's requirements and their effectiveness to the Board on a yearly basis and accordingly recommend to the Board for the induction of new Directors; 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; 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; to carry out evaluation of every director's performance; 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; to review 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; to ensure 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 Bank successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; 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 Bank 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, retirals, 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 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is authorized to allot shares pursuant to exercise of

Stock Options by employees; to perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Composition of the Nomination & Remuneration Committee and details of participation of the Members at the Meetings of the Committee are as under:

The Committee comprised of 3 Non-Executive Directors majority of whom are Independent Directors namely Mr. Brahm Dutt, Chairman, Ms. Radha Singh and Lt Gen. (Retd.) Mukesh Sabharwal. The first meeting of N&RC was held on April 22, 2015 which was attended by all the members of the Committee.

Three erstwhile Board Remuneration & Human Capital Management Committee meetings (BR&HCM) were held during FY 2014-15 i.e. April 23, 2014, July 23, 2014 and October 29, 2014. The Composition of the BR&HCM and details of participation of the Members at the Meetings of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Diwan Arun Nanda, Chairman	Independent Director	3	2
Mr. Rana Kapoor	MD & CEO	3	3
Lt. Gen (Retd.) Mukesh Sabharwal	Independent Director	3	3

Three Erstwhile Nominations & Governance Committee meetings (N&GC) were held during FY 2014-15 i.e. April 22, 2014, July 23, 2014 and October 29, 2014. The Composition of the N&GC Committee and details of participation of the Members at the Meetings of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rana Kapoor, Chairman	MD & CEO	3	3
Lt. Gen (Retd.) Mukesh Sabharwal	Independent Director	3	3
Ms. Radha Singh*	Independent Director	3	3

* *Ms. Radha Singh became non-independent director w.e.f. October 30, 2014.*

Note: Due to business exigencies, certain resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

8) Stakeholders Relationship Committee

(Erstwhile Investor Relations Committee)

Terms of Reference

The terms of reference of the Committee include 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.; to oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities issued by the Bank; to oversee the performance of the Registrar and Transfer Agent of the Bank and recommends measures for overall improvement in the quality of investor services; to review/take note of various investors presentations /communication with stakeholders; and to perform 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 2014-15 i.e. October 30, 2014 and March 14, 2015. The Composition of the Stakeholders Relationship Committee and details of Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Diwan Arun Nanda * (Chairman w.e.f April 23, 2014)	Independent Director	2	0
Lt. Gen (Retd.) Mukesh Sabharwal (ceased w.e.f October 30, 2014)	Independent Director	1	1
Mr. Vasant V. Gujarathi (appointed w.e.f October 30, 3014)	Independent Director	1	1
Mr. Saurabh Srivastava (appointed w.e.f April 23, 2014)	Independent Director	2	2

* *Mr. Diwan Arun Nanda, Chairman of the Committee was not able to attend Committee Meetings due to medical reasons and accordingly, the said meetings were chaired by Independent Directors for effectively discharging role of the Committee. However, he has been an active participant in the board processes and has provided valuable inputs to Board/committees on various matters from time to time.*

Note: Due to business exigencies, certain resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

Details of Shareholders' Complaints

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2014	0
Investor complaints received during the year ended on March 31, 2015	98
Investor complaints resolved during the year ended March 31, 2015	98
Investor complaints pending as on March 31, 2015	0

9) Corporate Social Responsibility Committee

Terms of Reference

The terms of reference of the Committee include formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy; monitor the CSR Policy of the Bank from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Bank and perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

The Committee was formed at the Board Meeting held on April 23, 2014. One Corporate Social Responsibility Committee meeting was held during FY 2014-15 i.e. October 30, 2014. The Composition of the Corporate Social Responsibility Committee and details of participation of the Members at the Meeting of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Ms. Radha Singh, Chairperson	Non-Executive Non-Independent Director	1	1
Mr. Rana Kapoor (appointed w.e.f. October 30, 2014)	MD & CEO	0	Not applicable
Mr. Diwan Arun Nanda (appointed w.e.f. April 23, 2014)	Independent Director	1	1
Mr. Ravish Chopra (appointed w.e.f. April 23, 2014)	Independent Director	1	1
Mr. Brahm Dutt (appointed w.e.f. April 23, 2014)	Independent Director	1	1

10) Capital Raising Committee

Terms of Reference

The Bank had constituted one special purpose committee viz. Capital Raising Committee. The Capital Raising Committee was formed for the purpose to analyze various options for infusion of capital; 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; appoint the issue management and issue related agencies; to incur necessary expenditure; to delegate all its powers to any member of the Committee and to do all such acts, deeds as the Board may delegate in connection with the capital raising exercise.

One Capital Raising Committee meeting was held during FY 2014-15 i.e. June 5, 2014. The Composition of the Capital Raising Committee and details of participation of the Members at the Meeting of the Committee were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rana Kapoor, Chairman*	MD & CEO	1	0
Mr. Diwan Arun Nanda	Independent Director	1	0
Mr. M. R. Srinivasan (appointed w.e.f. May 27, 2014)	Non-Executive Non-Independent Director	1	1
Mr. Vasant V. Gujarathi (appointed w.e.f October 30, 3014)	Independent Director	0	Not applicable
Lt. Gen (Retd.) Mukesh Sabharwal (ceased w.e.f October 30, 2014)	Independent Director	1	1

** Mr. Rana Kapoor, Chairman of the Committee, was not able to attend the Meeting of the Committee due to pre-occupation as MD & CEO of the Bank and accordingly, said meeting was chaired by Independent Director in effectively discharging role of the Committee.*

Note: Due to business exigencies, certain resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

11) Committee of Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors at its Meeting held on October 30, 2014 had constituted the Committee of Independent Directors.

Terms of Reference

The terms of reference of the Committee includes review of the performance of non-independent directors and the Board as a whole; to review the performance of the Chairperson of the Bank taking into account the views of executive directors and non-executive directors; to assess the quality, quantity and timeliness of flow of information between the Bank management and the Board that is necessary for the Board to effectively and reasonably perform their duties; to submit its report as above to Nomination & Remuneration Committee and the Board of Directors, as the case may be and to perform such other roles as may be prescribed by the Companies Act, 2013, Listing Agreement, SEBI Regulations, Banking Regulation Act, 1949 and the Circulars/Regulations issued by the Regulatory Authorities from time to time.

Composition

The Committee shall comprise of all the Independent Directors of the Bank as on the date of the meeting of the said committee. The first meeting of the Independent Directors was held on April 22, 2015.

Board Level Performance Evaluation

The Companies Act, 2013 and revised Clause 49 of the Listing Agreement entered with the Stock Exchanges stipulates the performance evaluation of the Directors including Chairperson, Board and its Committees. Considering the said provisions, the Bank has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination & Remuneration Committee and approved by the Board at their meetings held on October 29, 2014 and October 30, 2014, respectively.

The process for performance evaluation is as under:

- Committee of Independent Directors evaluates the performance of Non-Independent Directors including Chairperson of the Bank taking into account the views of Executive Director and Non-Executive Director, and the Board as a whole and submit its report to the Nomination & Remuneration Committee (N&RC).
- The Board evaluates the performance of the Independent Directors excluding the director being evaluated and submit 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.
- Nomination & Remuneration Committee 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 will take the appropriate action.

The criteria for performance evaluation are as under:

Performance Evaluation of Non-Executive Directors, MD & CEO and Chairperson

Attendance at the meetings; Participation and contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Participation; Performance Evaluation and Updation of Knowledge.

In addition to the above criteria, following are the parameters for the performance evaluation of MD & CEO and Chairperson.

Performance of the Bank; Recognition and awards to the Bank; Recognition and awards to the MD & CEO; Leadership; Relationships and Communications; Resources; Conduct of Meetings; Resources.

Performance Evaluation of Board

Composition and Diversity; Committees of the Board; Board & Committee meetings; Induction Program; Team Work; Cohesiveness of Board decisions; Board Procedure; Performance Culture; Succession planning; Discussions at Board Meetings; Understanding of the business of the Bank; Understanding the role and effectiveness; Foresight to avoid crisis and effectiveness in crisis management; Understanding of the regulatory environment; Strategy and Growth; Risk Management and Financial Controls; Quality of Decision making and Board's Communication AGM & Annual Report.

Self Assessment of the Performance by the 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; Justice to the role of committee and Procedure.

Remuneration Policy

Remuneration Policy for Employees of the Bank

The objective of the Compensation and Benefits Policy (C&B 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 create long term wealth creation opportunities through stock option schemes.

Remuneration Policy for Directors

In terms of the revised Clause 49 of the Listing Agreement and Companies Act, 2013, the Board at its meeting held on October 30, 2014 has approved the remuneration policy for Directors including Chairperson. 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 Nomination & Remuneration Committee (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 Reserve Bank of India (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 in the same manner subject to Shareholders' and regulatory approvals. The N&RC, while recommending the remuneration of the 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 Reserve Bank of India (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 Agreement and other regulatory 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 organization,

(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 shall consider the recommendation of the N&RC.

The Bank does not pay any commission on profit to the Non-Executive Directors. The Bank also does not grant any Stock Options to any Non-Executive Directors.

Remuneration of Directors

a) The Managing Director & CEO is being paid remuneration as recommended by the erstwhile BR&HCM Committee and approved by the Board of Directors, Reserve Bank of India and subject to approval of members. The details of remuneration of Mr. Rana Kapoor, Managing Director & CEO for FY 2014-15 have been disclosed in the Directors Report.

b) Mr. M. R. Srinivasan, Non Executive Non Independent Part time Chairman (from June 27, 2013 upto June 26, 2014) was paid remuneration as recommended by the erstwhile BR&HCM Committee and approved by the Board of Directors, Reserve Bank of India and members respectively. The details of the remuneration paid to Mr. M. R. Srinivasan have been disclosed in the Directors Report.

c) Ms. Radha Singh took charge as Part-time chairperson w.e.f. October 30, 2014. Ms. Singh is being paid remuneration as recommended by the erstwhile BR&HCM Committee and approved by the Board of Directors, Reserve Bank of India and approved by the members vide Postal Ballot on January 17, 2015. The details of the remuneration including sitting fee paid to Ms. Radha Singh have been disclosed in the Directors Report.

d) The Non-Executive Directors were paid sitting fees of ₹ 20,000/- for attending each meeting of the Board of Directors or any Committee Meeting of Directors. However, pursuant to the provisions of the Companies Act, 2013 and rules thereunder, the Board of Directors at its Meeting held on October 30, 2014 had revised the sitting fees payable to Non-Executive Directors from ₹ 20,000/- to ₹ 100,000 and ₹ 50,000 for attending the Meeting of the Board and Committee thereof, respectively.

During the Financial Year ended March 31, 2015 the Bank paid ₹ 5,920,000/- as sitting fees to the Non-Executive Directors as per the details given here below:

Sr. No.	Name of the Member	Sitting fees paid (amount in ₹)
1.	Mr. M. R. Srinivasan@	700,000
2.	Ms. Radha Singh	920,000
3.	Lt. Gen. (Retd.) Mukesh Sabharwal	1,150,000
4.	Mr. Diwan Arun Nanda	240,000
5.	Mr. Ajay Vohra	180,000
6.	Mr. Ravish Chopra	1,050,000*
7.	Mr. Brahm Dutt	670,000#
8.	Mr. Vasant V. Gujarathi	700,000**
9.	Mr. Saurabh Srivastava	310,000

@ *For the meetings attended after he ceased to be Part-Time Chairman w.e.f June 26, 2014*

* *Includes ₹ 180,000 as sitting fees for attending the Committee Meetings as Invitee*

\# *Includes ₹ 180,000 as sitting fees for attending the Committee Meetings as Invitee*

** *Includes ₹ 70,000 as sitting fees for attending the 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/Chairperson.

b. The Bank did not pay any amount to Directors by way of commission.

c. The Bank has not issued any stock options to its Directors.

d. There were no other pecuniary relationships or transactions of non-executive Directors vis-à-vis the Bank.

Details of Number of Shares and Convertible Instruments Held by Non-Executive Directors as on March 31, 2015:

Sr. No.	Name of the Director	Instrument (Equity Shares/ Convertible Instruments)
1.	Ms. Radha Singh	Nil
2.	Mr. Ajay Vohra	Nil
3.	Lt. Gen. (Retd.) Mukesh Sabharwal	Nil
4.	Mr. Diwan Arun Nanda	Nil
5.	Mr. Ravish Chopra	Nil
6.	Mr. M. R. Srinivasan	Nil
7.	Mr. Brahm Dutt	Nil
8.	Mr. Vasant V. Gujarathi	1,000
9.	Mr. Saurabh Srivastava	1,610

Share Suspense Account

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, 2015, the Bank has not received any request for claiming these shares. As on March 31, 2015, there were 5,400 shares remaining unclaimed in the Unclaimed Suspense Account.

The voting rights on the shares outstanding in the suspense account as on March 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

General Body 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
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 Million 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.
2013	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018	Saturday, June 8, 2013, 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 Million 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.

Year	Location	Day, Date and Time	Special Resolution
2012	Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018	Saturday, July 14, 2012, 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 Million 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, 3 Special Resolutions were passed through Postal Ballot on January 17, 2015. Mr. B. Narasimhan of B. N. & Associates, Practicing Company Secretaries, Mumbai was appointed as the Scrutinizer for overseeing the postal ballot voting process. The details are as follows:

1. **To borrow / raise funds in Indian / foreign currency by issue of debt securities including but not limited to bonds and non-convertible debentures upto ₹ 8,000 Crores to eligible investors on private placement basis:**

Total No. of shareholders		152,229
Total No. of equity Shares		417,079,430
Particulars	**Number of Votes**	**% of votes**
Total No. of equity Shares	417,079,430	100.00%
No. of votes polled	**277,546,850**	**66.55%**
✓ No. of Votes - in favour	276,941,676	99.78%
✓ No. of Votes - against	605,174	0.22%

2. **To amend the "YBL JESOP V/PESOP II" (Employee Stock Option Scheme) to align it with the SEBI (Share Based Employee Benefits) Regulations, 2014 including increase in the per Employee Options limit for the employees of the Bank:**

Total No. of shareholders		152,229
Total No. of equity Shares		417,079,430
Particulars	**Number of Votes**	**% of votes**
Total No. of equity Shares	417,079,430	100.00%
No. of votes polled	**276,921,950**	**66.40%**
✓ No. of Votes - in favour	212,421,291	76.71%
✓ No. of Votes - against	64,500,659	23.29%

3. **To amend the "YBL JESOP V/PESOP II" (Employee Stock Option Scheme) to align it with the SEBI (Share Based Employee Benefits) Regulations, 2014 including increase in per Employee Options limit for the employees of the Subsidiaries/ Associate companies of the Bank:**

Total No. of shareholders		152,229
Total No. of equity Shares		417,079,430
Particulars	**Number of Votes**	**% of votes**
Total No. of equity Shares	417,079,430	100.00%
No. of votes polled	**268,706,885**	**64.43%**
✓ No. of Votes - in favour	204,204,598	76%
✓ No. of Votes - against	64,502,287	24%

The Bank has complied with the procedures for the postal ballot in terms of Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

No special resolution requiring postal ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.

Disclosures

Subsidiary Companies

The Bank did not have any material subsidiary having investment of the Bank during the previous financial year. The Board of Directors at its Meeting held on October 30, 2014 has formulated **a policy for determining 'material' subsidiaries** pursuant to the provisions of the Listing Agreement. The same is displayed on the website of the Bank (http://www.yesbank.in/investor-relations/corporate-governance.html).

The Audited Annual Financial Statements of the Subsidiary Company has been provided to the Audit Committee and Board.

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an 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 at its Meeting held on October 30, 2014 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 Agreement. The same is displayed on the website of the Bank (http://www.yesbank.in/investor-relations/corporate-governance.html).

MD & CEO / CFO Certification

The MD & CEO and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

Code of Conduct and Ethics

The Board of Directors has amended the Code of Conduct and Ethics for the Board of Directors and Senior Management to align with the provisions of the Companies Act, 2013. The confirmation from the Managing Director & CEO regarding compliance with the code 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).

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 SEBI (Prohibition of Insider Trading) Regulations, 1992 and Companies Act, 2013 with a view to regulate trading in securities by the Directors and designated employees of the Bank. The Code requires pre-clearance for dealing in the Bank's shares beyond threshold limits. Further, it prohibits the purchase or sale of Bank shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Bank and during the period when the Trading Window is closed.

Whistle Blower Policy

The Bank has implemented the Whistle Blower Policy pursuant to which Whistle Blowers can raise concerns relating to Reportable Matters (defined in the policy) such as breach of YES BANK Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/ misappropriation of bank funds/assets, etc. Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The details of complaints received and the action taken are reviewed periodically by the Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The details of Whistle Blower Policy are available on the website of the Bank (www.yesbank.in).

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.

Other Disclosures

- ✓ The Bank has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Clause 49 of the Listing Agreement to the extent applicable to the Bank.
- ✓ The Bank has also ensured the implementation of the non-mandatory items like separate posts of Chairman and CEO and re-imbursement of expenses

in the performance of duties, Audit Qualifications, Reporting of Internal Auditor. The Internal Auditor reports directly to the Audit Committee. In terms of Section 10 (2A) of the Banking Regulation Act, 1949 all Directors other than its Chairman and/or Whole-time Directors cannot hold office continuously for a period exceeding eight years. The Nomination & Remuneration Committee of Directors 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.

- Brief profile of the Directors retiring by rotation and eligible for re-appointment and Directors proposed to be appointed is attached to the notice convening Annual General Meeting.

- The Bank had conducted various sessions during the financial year to familiarize Independent 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. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/ institutions on above matters. The details of such **familiarization programmes** are displayed on the website of the Bank. (http://www.yesbank.in/investor-relations/corporate-governance.html).

Means of Communication

The Bank has provided adequate and timely information to its member's interalia through the following means:

- Quarterly Results are communicated through a Press Release and newspaper advertisements in prominent national and regional dailies like the Economic Times, Business Standard, Mint, Free Press Journal, Navshakti, Financial Express, Hindustan Times, 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 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 Corporate Compliance and Listing Centre respectively. Various compliances as required/ prescribed under the Listing Agreement executed with the Stock Exchanges are also filed through these systems in addition to dissemination of information by email or fax.

- 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.

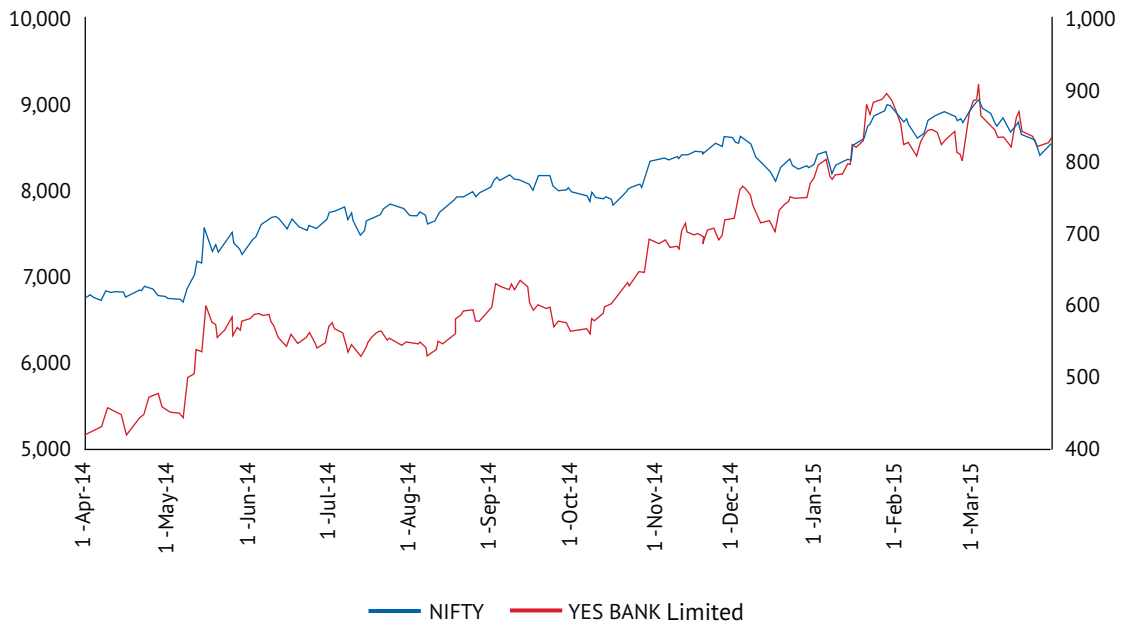
General Shareholders Information

Day, Date, Time and Venue of the Annual General Meeting	Saturday, June 6, 2015 at 11.00 A.M Hall of Culture, Ground Floor, Nehru Centre, Dr. A. B. Road, Worli, Mumbai – 400 018
Financial Year	April 1, 2014 to March 31, 2015
Date of Book Closure	May 25, 2015 to June 6, 2015 (both days inclusive)
Dividend Payment Date	Will be paid during June 8, 2015 to June 12, 2015
Listing on Stock Exchanges	1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Phone Nos.: (022) 22721233/4, (022) 66545695 Fax No.: (022) 22721919 2. National Stock Exchange of India Limited 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 2015-16 have been paid to the aforesaid Stock Exchanges.
Stock Code	BSE: 532648 NSE: YESBANK

Market Price Data: High, Low during each month in last financial year

Month	NSE			BSE		
	High(₹)	Low (₹)	Volume	High (₹)	Low(₹)	Volume
Apr-14	474.8	404	118,416,222	474.9	404	14,403,979
May-14	599	433.5	145,200,540	588	434.9	18,269,103
Jun-14	588	507.5	95,067,365	587.85	508.1	10,157,848
Jul-14	573.6	502.2	79,441,945	572.3	502.2	8,057,288
Aug-14	593.35	516.05	59,877,977	593.45	516.55	5,011,201
Sep-14	634.7	535.95	62,519,483	634.25	535.9	6,659,239
Oct-14	689.2	545.1	34,941,537	689	546	4,386,606
Nov-14	719.9	665.05	39,127,896	719.55	662.2	4,531,496
Dec-14	775	670	64,529,512	775	670	5,846,736
Jan-15	895	751.35	69,988,934	895	752.35	6,777,804
Feb-15	868.25	734	73,211,119	869.4	780.5	7,916,837
Mar-15	908.95	783.2	73,302,341	910	784	7,739,349

Performance of the YES BANK Limited Equity Shares relative to NSE Nifty Indices during the FY 2014-15



Registrar and Transfer Agents	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone No.: 040- 67161559 Fax No.: 040-23001153 Contact Persons: Ms. Shobha Anand / Mr. U. S. Singh
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. The Bank obtains from a Company Secretary in practice, half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

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Distribution of Shareholding as at March 31, 2015

Category (Amount)	No. of shareholders	%	Total Shares	Amount	% of Amount
Up to 5,000	162,947	94.57	12,899,415	128,994,150	3.09
5,001 – 10,000	4,545	2.64	3,512,838	35,128,380	0.84
10,001 – 20,000	2,074	1.20	3,103,427	31,034,270	0.74
20,001 – 30,000	719	0.42	1,823,181	18,231,810	0.44
30,001 – 40,000	356	0.21	1,285,115	12,851,150	0.31
40,001 – 50,000	264	0.15	1,237,819	12,378,190	0.30
50,001 – 100,000	486	0.28	3,566,520	35,665,200	0.85
100,001 & Above	918	0.53	390,307,783	3,903,077,830	93.43
TOTAL	**172,309**		**417,736,098**	**4,177,360,980**	**100**

Shareholding Pattern as on March 31, 2015

Sr. No.	Category of shareholders	No of shares	%
I	**Promoter & Promoter Group**		
	1(a) Rana Kapoor (Promoter)	20,000,000	4.79
	1(b) YES Capital (India) Private Limited (Promoter Entity)	15,125,000	3.62
	1(c) Morgan Credits Private Limited (Promoter Entity)	14,050,000	3.36
	2(a) Madhu Kapur and Family*	35,125,000	8.41
	2(b) Mags Finvest Private Ltd*	7,842,450	1.88
II	**Other Institutions**		
	Mutual Funds /UTI	35,033,101	8.39
	Financial Institutions /Banks	560,535	0.13
	Insurance Companies	50,709,841	12.14
	Foreign Institutional Investors	188,203,096	45.05
III	**Other Non-Institutions**		
	Bodies Corporate	10,935,724	2.62
IV	**Individuals**		
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	23,262,675	5.57
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	12,305,851	2.95
	Trusts	430,443	0.10
	Non Resident Indians	2,411,796	0.58
	H U F	730,767	0.17
	Clearing Members	1,009,169	0.24
	Foreign Nationals	650	0.00
	TOTAL	**417,736,098**	**100**

* *subject to regulatory clarifications*

List of Major Shareholders as on March 31, 2015

Sr. No.	Name	No of shares	%
	Promoter & Promoter Group		
1(a)	Rana Kapoor (Promoter)	20,000,000	4.79
1(b)	Yes Capital (India) Private Limited (Promoter Entity)	15,125,000	3.62
1(c)	Morgan Credits Private Limited (Promoter Entity)	14,050,000	3.36
2(a)	Madhu Kapur And Family*	35,125,000	8.41
2(b)	Mags Finvest Private Ltd*	7,842,450	1.88

Sr. No.	Name	No of shares	%
	Others		
3	Life Insurance Corporation of India along with its various schemes	30,581,796	7.32
4	Morgan Stanley Asia (Singapore) Pte.	11,605,219	2.78
5	DB International (Asia) Ltd	10,889,257	2.61
6	Franklin Templeton Investment Funds	10,281,653	2.46
7	Goldman Sachs (Singapore) Pte	8,620,924	2.06
8	Bajaj Allianz Life Insurance Company Ltd	7,762,330	1.86
9	Swiss Finance Corporation (Mauritius) Limited	7,183,111	1.72
10	Credit Suisse (Singapore) Limited	6,512,092	1.56
11	Citigroup Global Markets Mauritius Private Limited	5,784,768	1.38
12	GMO Emerging Markets Fund	4,255,449	1.02
13	Coronation Global Emerging Markets Fund	4,212,566	1.01

* *Subject to regulatory clarifications*

Dematerialization of shares and liquidity	As on March 31, 2015 the Share Capital of the Bank was held in the dematerialized form with NSDL (98.08%) and CDSL (1.91%) except 21,621 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.
Plant Locations	As the Bank is engaged in the business of banking/financial services, there is no plant location.
Address for correspondence	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone No.: 040- 67161559 Fax No.: 040-23001153 Contact Persons: Ms. Shobha Anand / Mr. U. S. Singh
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 Phone No.: 022 4080 7001 Fax No.: 022 – 66311776 Axis Trustee Services Limited Axis House, 2nd floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 Contact Person: Mr. Mithil Pattani (Deputy Manager) Phone No.: 022 43255222 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 Phone No.: 022 - 3366 9000 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)

Radha Singh
Non Executive Part-Time Chairperson
(DIN No: 02227854)

Place: Mumbai
Date: April 22, 2015

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 Limited Code of Conduct and Ethics.

For YES BANK Limited
Rana Kapoor
Managing Director & CEO
(DIN No: 00320702)

Place: Mumbai
Date: April 22, 2015

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 31,2015 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 22, 2015

Independent Auditor's Report

To
The Members of Yes Bank Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Yes Bank Limited (hereinafter referred to as "the Bank"), which comprise the Balance Sheet as at 31 March, 2015 and the Profit and Loss Account and the Cash Flow statement for the year then ended and significant accounting policies and notes forming part of the accounts.

Management's Responsibility for the Standalone Financial Statements

2. 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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation 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

3. 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 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, but not for the purpose of expressing an opinion on whether the Bank has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in

the manner so required for the banking companies and give a true and fair view of the state of affairs of the Bank as at 31 March 2015, and its profit and its cash flows for the year then ended.

Report on Other Legal and Regulatory Matters

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

7. As required sub section (3) of section 30 of the Banking Regulation Act, 1949 and the appointment letter dated 27 May2014, we report that:

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

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

   (c) The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 20 branches for the purpose of our audit.

8. 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 explanation 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 appears from our examination of those books;

   (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by us in the 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 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

Other Matters

9. 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:

   (a) The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 18.8.13 to the standalone financial statements;

   (b) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Note 18.8.14 to the financial statements.

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

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

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

Place of Signature: Mumbai
Date: 22 April 2015

Balance Sheet as at March 31, 2015

(₹ in thousands)

	Schedule	As at March 31, 2015	As at March 31, 2014
Capital and Liabilities			
Capital	1	4,177,361	3,606,336
Reserves and surplus	2	112,622,458	67,611,074
Deposits	3	911,758,482	741,920,153
Borrowings	4	262,204,013	213,142,862
Other liabilities and provisions	5	70,941,784	63,877,474
TOTAL		**1,361,704,098**	**1,090,157,899**
Assets			
Cash and balances with Reserve Bank of India	6	52,406,527	45,415,683
Balances with banks and money at call and short notice	7	23,164,989	13,500,955
Investments	8	466,052,366	409,503,624
Advances	9	755,498,162	556,329,622
Fixed assets	10	3,189,678	2,934,694
Other assets	11	61,392,376	62,473,321
TOTAL		**1,361,704,098**	**1,090,157,899**
Contingent liabilities	12	3,372,992,517	2,010,168,222
Bills for collection		13,739,445	9,970,631
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

For and on behalf of the Board of Directors
YES BANK Limited

per **Viren H. Mehta**
Partner
Membership No: 048749

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 22, 2015

Profit and Loss Account for the year ended March 31, 2015

(₹ in thousands)

	Schedule	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
I. Income			
Interest earned	13	115,720,065	99,813,521
Other income	14	20,464,551	17,215,774
TOTAL		**136,184,616**	**117,029,295**
II. Expenditure			
Interest expended	15	80,841,693	72,650,918
Operating expenses	16	22,847,060	17,498,719
Provisions and contingencies	17	12,442,249	10,701,856
TOTAL		**116,131,002**	**100,851,493**
III. Profit			
Net profit for the period		20,053,614	16,177,802
Profit brought forward		32,074,562	23,383,674
TOTAL		**52,128,176**	**39,561,476**
IV. Appropriations			
Transfer to Capital Reserve		262,447	41,359
Transfer to Statutory Reserve		5,013,404	4,044,451
Transfer to Investment Reserve		124,099	4,385
Dividend paid for last year		2,253	4,026
Tax on Dividend paid for last year		383	17,307
Proposed Dividend		3,759,625	2,885,069
Tax (including surcharge & education cess) on Dividend		765,460	490,317
Balance carried over to balance sheet		42,200,505	32,074,562
TOTAL		**52,128,176**	**39,561,476**
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
Earning per share (Refer Sch.18.7.5)			
Basic (₹)		49.34	44.92
Diluted (₹)		48.01	44.35
(Face Value of Equity Share is ₹ 10/-)			

As per our report of even date attached.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

For and on behalf of the Board of Directors
YES BANK Limited

per **Viren H. Mehta**
Partner
Membership No: 048749

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 22, 2015

Cash Flow Statement for the year ended March 31, 2015

(₹ in thousands)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Operating Activities		
Net profit before taxes	29,101,079	23,262,817
Adjustment for		
Depreciation for the year	850,397	631,662
Amortization of premium on investments	447,592	446,589
Provision for investments	(584,289)	860,079
Provision for standard advances	2,440,324	1,278,978
Provision/write off of non performing advances	1,300,099	1,358,169
Other provisions	238,650	117,615
Loss from sale of fixed assets	1,577	948
	33,795,429	**27,956,857**
Adjustments for :		
Increase / (Decrease) in Deposits	169,838,329	72,364,301
Increase/(Decrease) in Other Liabilities	4,765,274	8,772,122
(Increase)/Decrease in Investments	(12,922,909)	45,667,469
(Increase)/Decrease in Advances	(200,468,639)	(87,692,128)
(Increase)/Decrease in Other assets	890,725	(14,273,309)
	(37,897,220)	**24,838,455**
Payment of direct taxes	(10,386,882)	(8,305,958)
Net cash generated from operating activities (A)	**(14,488,673)**	**44,489,354**
Cash Flow from Investing Activities		
Purchase of fixed assets	(1,071,794)	(1,205,978)
Proceeds from sale of fixed assets	18,755	24,931
Changes in Capital work in progress	(53,919)	(90,805)
Investment in HTM	(43,489,136)	(26,717,341)
Net cash generated from investing activities (B)	**(44,596,094)**	**(27,989,193)**

(₹ in thousands)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Financing Activities		
Tier II Debt raised	-	-
Increase in Borrowings	49,061,151	1,121,390
Innovative Perpetual Debt raised	-	2,800,000
Proceeds from issuance of Equity Shares	571,025	20,113
Share Premium received thereon	29,485,491	339,509
Dividend paid during the year	(2,887,322)	(2,155,760)
Tax on dividend	(490,700)	(366,372)
Net cash generated from financing activities (C)	**75,739,645**	**1,758,880**
Net increase in cash and cash equivalents (A+B+C)	**16,654,878**	**18,259,041**
Cash and cash equivalents as at April 1	**58,916,638**	**40,657,597**
Cash and cash equivalents as at March 31	**75,571,516**	**58,916,638**
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	52,406,527	45,415,683
Balances with Banks and Money at Call and Short Notice	23,164,989	13,500,955
Cash and cash equivalents as at March 31	**75,571,516**	**58,916,638**

As per our report of even date attached.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

For and on behalf of the Board of Directors
YES BANK Limited

per **Viren H. Mehta**
Partner
Membership No: 048749

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 22, 2015

Schedules forming part of the Balance Sheet

(₹ in thousands)

	As at March 31, 2015	As at March 31, 2014
Schedule 1 - Capital		
Authorized Capital		
600,000,000 equity shares of ₹ 10/- each	6,000,000	6,000,000
Issued, subscribed and paid-up capital		
417,736,098 equity shares of ₹ 10/- each	4,177,361	3,606,336
(March 31, 2014 : 360,633,626 equity shares of ₹ 10/- each) [Refer Sch 18.5.1.1]		
TOTAL	**4,177,361**	**3,606,336**

Schedule 2 - Reserves and Surplus				
I.	**Statutory Reserves**			
	Opening balance		14,384,732	10,340,281
	Additions during the year		5,013,404	4,044,451
	Closing balance		**19,398,136**	**14,384,732**
II.	**Share Premium**			
	Opening balance		19,265,118	18,925,609
	Additions during the period [Refer Sch 18.5.1.1]		29,657,964	339,509
	Deductions during the year [Refer Sch 18.5.1.1]		172,473	-
	Closing balance		**48,750,609**	**19,265,118**
III.	**Capital Reserve**			
	Opening balance		1,784,564	1,743,205
	Additions during the year [Refer Sch 18.5.1.2]		262,447	41,359
	Closing balance		**2,047,011**	**1,784,564**
IV.	**Investment Reserve**			
	Opening balance		102,098	97,713
	Additions during the year [Refer Sch 18.5.1.3]		124,099	4,385
	Closing balance		**226,197**	**102,098**
V.	**Balance in Pro it and Loss Account**		**42,200,505**	**32,074,562**
		TOTAL	**112,622,458**	**67,611,074**

Schedule 3 - Deposits				
A.	**I.**	**Demand Deposits**		
		i) From Banks	3,756,166	2,346,947
		ii) From Others	81,238,324	67,824,661
	II.	**Savings Bank Deposit**	125,795,428	93,275,190
	III.	**Term Deposits**		
		i) From banks	50,676,446	63,293,491
		ii) From others	650,292,118	515,179,864
		TOTAL	**911,758,482**	**741,920,153**
B.	**I.**	**Deposits of branches in India**	911,758,482	741,920,153
	II.	**Deposits of branches outside India**	-	-
		TOTAL	**911,758,482**	**741,920,153**

(₹ in thousands)

	As at March 31, 2015	As at March 31, 2014
Schedule 4 - Borrowings		
I. Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt		
A. Borrowing in India		
i) IPDI	7,410,000	7,410,000
ii) Upper Tier II Borrowings	19,367,000	19,367,000
iii) Lower Tier II Borrowings	30,255,000	30,255,000
TOTAL (A)	**57,032,000**	**57,032,000**
B. Borrowings outside India		
i) IPDI	312,500	299,575
ii) Upper Tier II Borrowings	10,577,768	10,382,401
iii) Lower Tier II Borrowings	-	-
TOTAL (B)	**10,890,268**	**10,681,976**
TOTAL (A+B)	**67,922,268**	**67,713,976**
II. Other Borrowings*		
A. Borrowings in India		
i) Reserve Bank of India	24,000,000	35,020,000
ii) Other banks	14,925,000	26,610,000
iii) Other institutions and agencies **	67,210,000	31,554,417
TOTAL (A)	**106,135,000**	**93,184,417**
B. Borrowings outside India (B)	**88,146,745**	**52,244,469**
TOTAL (A+B)	**194,281,745**	**145,428,886**
TOTAL (I+II)	**262,204,013**	**213,142,862**

**Secured borrowings are ₹ 24,000,000 thousands (March 31, 2014 : ₹ 31,300,000 thousands).*

***Including refinance borrowing.*

Schedule 5 - Other Liabilities and Provisions		
I. Bills payable	3,408,352	2,050,477
II. Inter-office adjustments (net)	-	-
III. Interest accrued	12,171,611	8,871,010
IV. Others (including provisions)		
- Provision for standard advances	6,593,528	4,153,204
- Country risk exposures	-	-
- Others	48,768,293	48,802,783
TOTAL	**70,941,784**	**63,877,474**

Schedule 6 - Cash and Balances With Reserve Bank of India		
I. Cash in hand	3,645,849	2,299,969
II. Balances with Reserve Bank of India		
- In current account	48,760,678	43,115,714
- In other account	-	-
TOTAL	**52,406,527**	**45,415,683**

Schedules forming part of the Balance Sheet

(₹ in thousands)

		As at March 31, 2015	As at March 31, 2014
Schedule 7 - Balances With Banks, Money at Call and Short Notice			
I. In India			
Balances with banks-			
i)	in current accounts	258,391	420,177
ii)	in other deposit accounts	65	60
Money at call and short notice			
i)	with Banks	450,000	500,000
ii)	with other institutions	-	-
iii)	lending under reverse repo (RBI & Banks)	9,000,000	555,030
	TOTAL (I)	**9,708,456**	**1,475,267**
II. Outside India			
i)	in current account	8,769,033	9,329,513
ii)	in other deposit account	-	-
iii)	money at call and short notice	4,687,500	2,696,175
	TOTAL (II)	**13,456,533**	**12,025,688**
	TOTAL (I+II)	**23,164,989**	**13,500,955**

Schedule 8 - Investments (net of provisions)			
A. Investments in India in			
i)	Government Securities	300,012,130	224,290,105
ii)	Other approved securities	-	-
iii)	Shares	601,370	932,480
iv)	Debentures and bonds	94,667,483	103,155,907
v)	Subsidiaries and/or joint ventures	350,000	175,000
vi)	Others (CPs, CDs, Pass through certificates etc)	70,421,383	80,950,132
	(Refer Note 18.5.2) **TOTAL**	**466,052,366**	**409,503,624**
B. Investments outside India		-	-
	TOTAL	**466,052,366**	**409,503,624**

Schedule 9 - Advances			
A. i)	Bills purchased and discounted	16,024,073	12,871,890
ii)	Cash credit, overdrafts and loans payable on demand	173,764,530	142,758,282
iii)	Term loans	565,709,559	400,699,450
	TOTAL	**755,498,162**	**556,329,622**
B. i)	Secured by tangible assets (includes advances secured by fixed deposits and book debt)	518,241,518	374,024,050
ii)	Covered by Bank/Government guarantees	1,553,036	5,625,707
iii)	Unsecured (Note 1 and 2)	235,703,608	176,679,865
	TOTAL	**755,498,162**	**556,329,622**

1 Includes advances of ₹ 144,283,634 thousands (March 31, 2014 ₹ 82,545,143 thousands) for which security documentation is either being obtained or being registered.

2 There are no outstanding advances as at March 31, 2015 and March 31, 2014 for which intangible securities such as charge over the rights, licenses, authority, etc of has been taken.

(₹ in thousands)

		As at March 31, 2015	As at March 31, 2014
C.	**Advances in India**		
	i) Priority sectors	189,458,960	145,642,222
	ii) Public sector	38,511	62,516
	iii) Banks	331,699	1,656,781
	iv) Others	565,668,992	408,968,103
	TOTAL	**755,498,162**	**556,329,622**
	Advances outside India	-	-
	TOTAL	**755,498,162**	**556,329,622**

Schedule 10 - Fixed Assets			
I.	Premises	-	-
II.	Other Fixed Assets (including furniture and fixtures)		
	At cost as on March 31st of preceding year	5,322,447	4,271,173
	Additions during the year	1,071,794	1,205,978
	Deductions during the year	(114,355)	(154,705)
	Accumulated depreciation to date	(3,345,879)	(2,589,504)
		2,934,007	**2,732,942**
	Capital work-in-progress	255,671	201,752
	TOTAL	**3,189,678**	**2,934,694**

Schedule 11 - Other Assets			
I.	Interest Accrued	18,018,071	15,454,763
II.	Advance tax and tax deducted at source (net of provision)	719,030	442,198
III.	Deferred tax asset (Refer Sch 18.7.7)	3,554,425	2,493,325
IV.	Non-Banking assets aquired in satisfaction of claims	452,030	510,030
V	Others	38,648,820	43,573,005
	TOTAL	**61,392,376**	**62,473,321**

Schedule 12 - Contingent Liabilities			
I.	Claims against the bank not acknowledged as debts	4,521	-
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	2,116,095,628	1,104,666,493
IV.	Liability on account of outstanding derivative contracts		
	- Single currency Interest Rate Swap	634,287,012	498,750,662
	- Others	193,447,010	95,971,508
V.	Guarantees given on behalf on constituents		
	- in India	142,909,758	104,640,628
	- Outside India	-	-
VI.	Acceptances, endorsement and other obligations	225,393,720	164,442,130
VII.	Other items for which the bank is contingently liable		
	- Value dated purchase of securities	119,018	206,475
	- Capital commitment	346,840	238,440
	- Foreign exchange contracts (Tom & Spot)	60,389,010	41,251,886
	TOTAL	**3,372,992,517**	**2,010,168,222**

Schedules forming part of Profit & Loss Account

(₹ in thousands)

		April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
Schedule 13 - Interest Earned			
I.	Interest/discount on advances/bills	80,160,944	65,399,853
II.	Income on investments	35,106,289	34,144,577
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	428,932	238,880
IV.	Others	23,900	30,211
	TOTAL	**115,720,065**	**99,813,521**
Schedule 14 - Other Income			
I.	Commission, exchange and brokerage	19,764,799	12,609,208
II.	Profit on the sale of investments (net)	1,420,957	1,661,620
III.	Profit/(Loss) on the revaluation of investments (net)	-	-
IV.	Loss on sale of land, building and other assets	(1,577)	(948)
V.	Profit on exchange transactions (net)	(670,297)	1,985,108
VI.	Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous income	(49,331)	960,786
	TOTAL	**20,464,551**	**17,215,774**
Schedule 15 - Interest Expended			
I.	Interest on deposits	65,368,181	56,186,397
II.	Interest on Reserve Bank of India/inter-bank borrowings/Tier I and Tier II debt instruments	14,722,956	15,824,830
III.	Others	750,556	639,691
	TOTAL	**80,841,693**	**72,650,918**
Schedule 16 - Operating Expenses			
I.	Payments to and provisions for employees	9,796,635	7,843,991
II.	Rent, taxes and lighting	2,663,221	2,292,026
III.	Printing and stationery	167,311	131,853
IV.	Advertisement and publicity	702,920	596,476
V.	Depreciation on Bank's property	850,397	631,662
VI.	Directors' fees, allowances and expenses	11,907	5,659
VII.	Auditors' fees and expenses	7,775	6,950
VIII.	Law charges	11,899	17,109
IX.	Postage, telegrams, telephones, etc.	304,619	247,071
X.	Repairs and maintenance	158,728	110,318
XI.	Insurance	691,061	528,209
XII.	Other expenditure	7,480,587	5,087,395
	TOTAL	**22,847,060**	**17,498,719**
Schedule 17 - Provisions & Contingencies			
I.	Provision for taxation (Refer Sch 18.6.1)	9,047,465	7,085,015
II.	Provision for investments	(584,289)	860,079
III.	Provision for standard advances	2,440,324	1,278,978
IV.	Provision/write off for non performing advances	1,300,099	1,358,169
V.	Other Provisions	238,650	119,615
	TOTAL	**12,442,249**	**10,701,856**

18. Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2015

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 Limited 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 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 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.

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

For the year ended March 31, 2015 commission on guarantees issued by the Bank is recognized as income over the period of the guarantee. Till March 31, 2014 the Bank had amortized commission earned on yearly basis at each anniversary over the period of the guarantee. Had the Bank followed the earlier method of amortization of guarantee commission, the profit after tax for the current year would have been higher by ₹ 186,922 thousands

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. Interest on non-performing assets is recognized upon realization as per the prudential norms of the RBI.
- ✓ Revenue in certain structured transactions where interest income is partially receivable in advance is recognized when due.
- ✓ Loan processing fee is accounted for upfront when it becomes due.
- ✓ 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.

Schedules forming part of Financial Statement

- 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 DBOD. No.BP.BC.20/21.04.141/2014-15 dated July 1, 2014 and Fixed Income Money Market and Derivative Association (FIMMDA) guidelines FIMCIR/2014-15/46/March 30, 2015.

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.

b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that the Bank intends to hold till maturity are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice- 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 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.

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. 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.

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 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.

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 book 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 as per Stock Exchange quotations. 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.

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. DBOD.No.BP.BC.20/21.04.141/2014-15 dated July 1, 2014. 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.

Schedules forming part of Financial Statement

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.

18.4.4 Advances

Advances are classified as performing and non-performing based on the relevant RBI guidelines. Advances are stated net of specific loan loss provisions, interest in suspense, inter-bank participation certificates issued and bills rediscounted. Specific loan loss 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.

As per the RBI guidelines a general provision is made on all standard advances based on the category of advances as prescribed in the said guidelines. 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'.

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.

Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are recognized in the profit and loss account

18.4.5 Transactions involving foreign exchange

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.

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.

Income and expenditure in foreign currency are accounted for at exchange rates prevalent on the date of the transaction.

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.

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 periodic basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

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.

18.4.8 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.

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

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

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	Rates of depreciation per annum
Office equipment	20.00%
Computer hardware	33.33%
Computer software	25.00%
Vehicles	20.00%
Furniture and Fixtures	10.00%
Leasehold improvements to premises	Over the lease period or 9 years whichever is less.

Assets costing less than ₹ 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.

Schedules forming part of Financial Statement

The Bank has changed the depreciation rates for Office Equipment from 16.21% to 20% and Furniture and Fixtures from 6.33% to 10% in line with Schedule II to the Companies Act, 2013 in Financial Year 2014-15. Till March 31, 2014 the Bank had followed depreciation rate as prescribed in Schedule XIV of the Companies Act 1956 for Office Equipments and Furniture and Fixtures. Had the Bank followed the earlier depreciation rates the profit after tax would have been higher by ₹ 51,050 thousands.

18.4.10 Retirement and employee benefits

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 has computed the compensated absence provision as per revised AS 15 – Employee Benefits.

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 Bank recognizes the actuarial gains and losses during the year in which the same are incurred.

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.

18.4.11 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

18.4.12 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

18.4.13 Provisions and contingent assets/liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events 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 company does not recognize a contingent liability but discloses its existence in the financial statements

The Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

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

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

18.4.14 Employee Stock Compensation Cost

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Bank measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

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.

18.5.1 Capital

18.5.1.1 Equity Issue

During Financial Year 2014-15, the Bank has issued 53,492,272 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 550 aggregating to ₹ 29,420,750 thousands. The Bank accreted ₹ 28,713,354 thousands (net of share issue expenses of ₹ 172,473 thousands) as premium, on account of QIP. The Bank also issued 3,610,200 shares pursuant to the exercise of stock option aggregating to ₹ 808,240 thousands.

During the financial year ended March 31, 2014, the Bank has issued 2,011,337 shares pursuant to the exercise of stock option aggregating to ₹ 359,622 thousands.

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 ₹ 262,447 thousands (previous year: ₹ 41,359 thousands) was transferred to Capital Reserve.

18.5.1.3 Investment Reserve

The Bank has transferred ₹ 124,099 thousands (Previous year: ₹ 4,385 thousands) (net of applicable taxes and transfer to statutory reserve requirements) towards Investment Reserve on provisions for depreciation on investments credited to Profit and Loss Account.

Schedules forming part of Financial Statement

18.5.1.4 Capital Adequacy Ratio

Capital Adequacy Ratio as per RBI guidelines (Basel III Capital Regulations dated July 1, 2014) as at March 31, 2015 is given below:

(₹ in thousands)

Basel - III	As at March 31, 2015	As at March 31, 2014
Common Equity Tier I	114,085,595	69,913,022
Additional Tier I Capital	4,670,062	5,061,336
Tier-1 capital	**118,755,657**	**74,974,358**
Tier-2 capital	42,757,373	34,956,511
Total capital	**161,513,030**	**109,930,869**
Credit Risk – Risk Weighted Assets (RWA)	907,147,962	643,295,247
Market Risk – RWA	69,876,200	79,983,266
Operational Risk – RWA	56,998,056	42,690,460
Total risk weighted assets	**1,034,022,218**	**765,968,973**
Common Equity capital adequacy ratio (%)	11.0%	9.1%
Tier-1 capital adequacy ratio (%)	11.5%	9.8%
Tier-2 capital adequacy ratio (%)	4.1%	4.6%
Total capital adequacy ratio (%)	15.6%	14.4%
Amount raised during the year by issue of IPDI	-	2,800,000

18.5.1.5 Tier I and Tier II Capital

During Financial Year 2014-15, the Bank has not raised Tier I Debt instruments or Tier II Debt Instruments.

During Financial Year 2013-14, the Bank has raised Tier I Debt instruments amounting to ₹ 2,800,000 thousands, details of which are as follows:

Tier I Debt Instruments

(₹ in thousands)

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Unsecured, Non Convertible, Additional Tier I, Subordinated Perpetual Bonds	Debentures	December 31, 2013	10.50	Perpetual	2,800,000
			TOTAL		**2,800,000**

18.5.2 Investments

(₹ in thousands)

Particulars (In India)	As at March 31, 2015	As at March 31, 2014
Gross value	466,578,755	410,614,302
Less: Provision for depreciation	526,389	1,110,678
Net value	**466,052,366**	**409,503,624**

There were no investment outside India as at March 31, 2015 and March 31, 2014.

Provision for depreciation on investments

(₹ in thousands)

Particulars (In India)	As at March 31, 2015	As at March 31, 2014
Opening Balance	1,110,678	250,599
Provision made during the year	47,282	874,606
Provision written back on account of sale of Investment and write back.	**(631,571)**	**(14,527)**
Closing Balance	**526,389**	**1,110,678**

There was no provision for depreciation on investments outside India as at March 31, 2015 and March 31, 2014.

18.5.3 Repo Transactions

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2015:

(₹ in thousands)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2015
Securities sold under repos	-	43,742,928	1,908,144	-
Security purchased under reverse repo	-	21,605,095	1,668,723	-

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2014:

(₹ in thousands)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2014
Securities sold under repos	-	41,294,089	2,061,401	-
Security purchased under reverse repo	-	12,834,163	865,359	555,030

The bank has dealt only in government securities in repo or reverse repo transactions during the financial year ended March 31, 2015 and March 31, 2014.

The above figures excludes securities sold and purchased under Liquidity Adjustment Facility (LAF) with RBI.

Schedules forming part of Financial Statement

18.5.4 Non-SLR Investment Portfolio

Issuer composition of Non SLR investments as at March 31, 2015 is given below:

(₹ in thousands)

No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities #	Extent of 'unlisted' securities*
i)	PSUs	4,681,603	3,692,603	-	-	-
ii)	Financial Institutions	45,814,406	44,770,267	-	624,905	35,874,767
iii)	Banks	-	-	-	-	-
iv)	Private Corporates	80,346,386	76,243,794	50,000	14,410	3,788,886
v)	Subsidiaries/ Joint ventures	350,000	350,000	-		350,000
vi)	Others	35,370,075	35,370,075	-	-	35,370,075
vii)	Provision held towards depreciation	(522,234)	-	-	-	-
	TOTAL	**166,040,236**	**160,426,739**	**50,000**	**639,315**	**75,383,728**

**Of the investments disclosed ₹ 71,763,727 thousands 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, 2014 is given below:

(₹ in thousands)

No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities #	Extent of 'unlisted' securities*
i)	PSUs	6,269,477	5,088,145	-	-	-
ii)	Financial Institutions	37,255,096	35,370,100	-	671,303	25,927,100
iii)	Banks	3,979,160	2,500,336	-	-	3,940,160
iv)	Private Corporates	87,051,420	82,626,990	1,502,840	14,410	3,249,140
v)	Subsidiaries/ Joint ventures	175,000	175,000	-	-	175,000
vi)	Others	50,962,473	50,962,473	1,000,000	-	50,962,473
vii)	Provision held towards depreciation	(479,107)	-	-	-	-
	TOTAL	**185,213,519**	**176,723,044**	**2,502,840**	**685,713**	**84,253,873**

**Of the investments disclosed ₹ 82,163,874 thousands are exempted from applicability of RBI prudential limit for unlisted Non-SLR securities.*

 # excludes investment in equity shares and units

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 and sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI.

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, 2015 is given below:

(₹ in thousands)

Sr. No	Items	As at March 31, 2015	As at March 31, 2014
i)	The notional principal of swap agreements	634,287,012	498,750,662
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements[1]	1,450,039	2,058,814
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps [Percentage Exposure to Banks] [1]	11.81%	14.38%
	[Percentage Exposure to PSUs] [1]	27.54%	62.25%
v)	The fair value of the swap book [2]	642,500	885,220
	- INBMK	588,480	1,697,666
	- MIBOR	(161,828)	(69,168)
	- MIFOR	88,262	(696,718)
	- FCY IRS	127,586	(46,560)

1 Losses and Credit risk concentration are measured as net receivable under swap contracts

2Fair values represent mark-to-market including accrued interest.

The nature and terms of the Rupee IRS as on March 31, 2015 are set out below:

(₹ in thousands)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	23	9,500,000	MIFOR	Fixed Payable V/S Floating Receivable
Hedging	13	3,250,000	MIBOR	Fixed Receivable V/S Floating Payable
Trading	29	25,260,000	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000,000	INBMK	Fixed Receivable V/S Floating Payable
Trading	340	212,545,727	MIBOR	Fixed Payable V/S Floating Receivable
Trading	327	200,896,470	MIBOR	Fixed Receivable V/S Floating Payable
Trading	54	21,298,500	MIFOR	Fixed Payable V/S Floating Receivable
Trading	80	30,558,000	MIFOR	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as on March 31, 2015 are set out below:

(₹ in thousands)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	1	173,100	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	1	173,100	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	69	65,567,507	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	108	61,713,105	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	10	2,351,503	USD LIBOR	Floating Payable V/S Floating Receivable

Schedules forming part of Financial Statement

The nature and terms of the Rupee IRS as on March 31, 2014 are set out below:

(₹ in thousands)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	1	250,000	MIFOR	Fixed Payable v/s Floating Receivable
Hedging	13	3,250,000	MIBOR	Fixed Receivable v/s Floating Payable
Trading	29	25,260,000	INBMK	Fixed Payable v/s Floating Receivable
Trading	1	1,000,000	INBMK	Fixed Receivable v/s Floating Payable
Trading	395	206,850,963	MIBOR	Fixed Payable v/s Floating Receivable
Trading	321	185,199,685	MIBOR	Fixed Receivable v/s Floating Payable
Trading	21	10,348,000	MIFOR	Fixed Payable v/s Floating Receivable
Trading	50	20,048,000	MIFOR	Fixed Receivable v/s Floating Payable

The nature and terms of the FCY IRS as on March 31, 2014 are set out below:

(₹ in thousands)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	1	245,792	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	1	245,792	EURIBOR	Fixed Payable v/s Floating Receivable
Trading	1	145,150	JPY LIBOR	Fixed Receivable v/s Floating Payable
Trading	39	25,565,553	USDLIBOR	Fixed Receivable v/s Floating Payable
Trading	75	20,169,673	USDLIBOR	Fixed Payable v/s Floating Receivable
Trading	4	172,054	USDLIBOR	Floating Receivable v/s Floating Payable

18.5.5.2 Un-hedged / uncovered foreign currency exposure of the Bank

The Bank's foreign currency exposures as at March 31, 2015 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 at March 31, 2015 is ₹ 1,884,151 thousands (March 31, 2014 ₹ 251,121 thousands).

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 thousands)

Sr. No	Particulars	March 31, 2015	March 31, 2014
1.	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year :		
	- 8.83% Government Securities 2023	4,044,200	3,352,600
	- 8.40% Government Securities 2024	66,002,200	-
2.	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2015.		
	- 8.40% Government Securities 2024	5,988,782	NIL
3.	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2015	N.A.	N.A.
4.	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2015.	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, 2015. As on March 31, 2015, the open contracts on the exchange were to the tune of USD 5,023 thousand (₹ 315,608 thousand) for April 2015 expiry.

The Bank had dealt in exchange traded currency Forwards (futures) during the financial year ended March 31, 2014. As on March 31, 2014 there were Nil Open Contracts.

18.5.5.5 Disclosures on risk exposure in derivatives

As per RBI Master circular DBOD.BP.BC. No.8/21.04.018/2014-15 dated July 1, 2014, the following disclosures are being made with respect to risk exposure in derivatives of the Bank:

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 Appropriateness 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 and 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. Such a structure helps the Bank to monitor and mitigate market risk across FX, interest rates, credit risk, operational risk including reputational risk and legal risk.

d) The Bank has an independent Middle Office, which is 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 hedged item, 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.

h) Refer Note 18.4.7 for accounting policy on derivatives.

Schedules forming part of Financial Statement

i) The details of derivative transactions as at March 31, 2015 and March 31, 2014 are given below:

(₹ in thousands)

Sr. No	Particular	Currency derivatives [1]		Interest rate derivatives [4]	
		Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
i)	**Derivatives (Notional Principal Amount)**				
	a) For hedging	18,210,284	17,061,769	12,750,000	3,500,000
	b) For trading	169,247,944	78,909,739	627,525,793	495,250,662
ii)	**Marked to market positions[2]**				
	a) Asset (+)	5,023,653	4,077,463	2,614,472	4,864,391
	b) Liability (-)	3,653,494	2,655,045	2,077,776	3,881,593
iii)	**Credit exposure[3]**	17,054,720	12,024,411	8,308,671	9,005,779
iv)	**Likely impact of one percentage change in interest rate (100*PV01) (Refer Note 1&2 below)**				
	a) on hedging derivatives	401,060	314,346	212,576	71,246
	b) on trading derivatives	419,815	467,233	1,985,404	1,826,522
v)	**Maximum and minimum of 100*PV01 observed during the year (Refer Note 1&2 below)**				
	a) on hedging				
	Maximum	427,708	415,991	219,456	655,790
	Minimum	251,089	314,346	57,814	71,246
	b) on trading				
	Maximum	639,125	579,342	2,192,434	2,034,845
	Minimum	417,384	372,941	1,500,471	917,526

[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, 2015 amounted to ₹ 2,059,206,311 thousands (previous year: ₹ 1,097,322,162 thousands). For these trading contracts, at March 31, 2015, marked to market position was asset of ₹ 15,954,788 thousands (Previous year: ₹ 24,404,919 thousands) and liability of ₹ 15,293,653 thousands (Previous Year: ₹ 24,082,263 thousands).The notional principal amount of foreign exchange contracts classified as hedging at March 31, 2015 amounted to ₹ 56,889,316 thousands (previous year: ₹ 7,344,331 thousands). Credit exposure on forward exchange contracts at March 31, 2015 was ₹ 53,941,012 thousands (Previous Year: ₹ 41,056,119 thousands).

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, 2015 and the year ended March 31, 2014 are given below :

(₹ in thousands)

Sr. No	Particulars	March 31, 2015	March 31, 2014
(i)	Net NPA to Net Advances	0.12%	0.05%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,749,256	943,236
	(b) Additions (Fresh NPAs during the year)	3,874,583	3,986,703
	Subtotal (A)	5,623,839	4,929,939
	Less:		
	(i) Up-gradations	722,235	207,854
	(ii) Recoveries	1,237,792	2,229,912
	(iii) Write-offs	529,803	742,917
	Sub-total (B)	2,489,830	3,180,683
	Gross NPAs (closing balance) (A-B)	3,134,009	1,749,256
(iii)	Movement of Net NPAs		
	(a) Opening Balance	260,675	69,908
	(b) Additions during the year	1,979,927	2,398,692
	(c) Reductions during the year	1,363,355	2,207,925
	(d) Closing balance	877,247	260,675
(iv)	Movement of provisions for NPAs		
	(excluding provision on standard assets)		
	(a) Opening balance	1,488,581	873,328
	(b) Additions during the year	1,894,656	1,588,011
	(c) write off / write back of excess provision	1,126,475	972,758
	(d) Closing balance	2,256,762	1,488,581

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 Non-Performing Investments

(₹ in thousands)

Particulars	March 31, 2015	March 31, 2014
Opening Balance	165,393	145,367
Additions during the year	-	50,000
Reductions during the year	-	29,974
Closing Balance	165,393	165,393
Total Provision Held	**165,393**	**135,393**

Schedules forming part of Financial Statement

18.5.6.3 Provision coverage Ratio

The provision coverage ratio of the Bank as at March 31, 2015 computed as per the RBI guidelines is 72.01% (previous year 85.10%)

18.5.6.4 Concentration of NPAs

Exposure (Funded + Non Funded) of the Bank to top four NPA is ₹ 1,151,171 thousands as at March 31, 2015 (previous year ₹ 718,632 thousands).

18.5.6.5 Sector-wise Advances and NPA-

The details of Sector-wise Gross Advances and Gross NPAs as at March 31, 2015 and March 31, 2014 are given below:

(₹ in thousands)

Sector	As at March 31, 2015			As at March 31, 2014		
	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	95,202,862	54,219	0.06%	73,587,631	20,562	0.03%
Industry	27,146,050	279,134	1.03%	17,684,741	35,321	0.20%
Of which Gems & Jewellery	5,299,778	-		3,745,179	-	
Services	48,555,884	247,549	0.51%	33,863,003	129,425	0.38%
Personal Loans	-	-		-	-	
Others	18,863,425	14,184	0.08%	20,638,161	34,446	0.17%
Sub-Total (A)	**189,768,221**	**595,086**	**0.31%**	**145,773,536**	**219,754**	**0.15%**
Non Priority Sector						
Agriculture and Allied activities	18,877,003	77,694	0.41%	27,634,994	77,693	0.28%
Industry	235,748,937	941,140	0.40%	195,604,624	619,296	0.32%
Of which						
Electricity (generation-transportation and distribution)	59,275,677	-		29,111,805	-	
Services	298,463,113	1,441,927	0.48%	178,658,881	775,087	0.43%
Personal Loans	275,525	-		60,300	-	
Others	14,622,125	78,162	0.53%	10,085,868	57,425	0.57%
Sub-Total (B)	567,986,703	2,538,923	0.45%	412,044,667	1,529,501	0.37%
Total (A+B)	**757,754,924**	**3,134,009**	**0.41%**	**557,818,203**	**1,749,255**	**0.31%**

18.5.6.6 Restructured Accounts

The details of accounts Restructured during the year ended March 31, 2015 are given below :

(₹ in thousands)

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 31,2014	Provision thereon as at March 31,2014	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 31,2015	Provision thereon as at March 31,2015
1	CDR															
	Standard	6	942,843	452,256	-	112,560	167,162	(2)	(252,733)	(196,958)	-	(60,159)	(16,151)	4	742,511	406,309
	Substandard	-	-	-	-	-	-	2	252,733	196,958	-	-	-	2	252,733	196,958
	Doubtful	2	77,215	74,970	-	-	-	-	-	-	-	(19,205)	(18,096)	2	58,010	56,874
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**8**	**1,020,058**	**527,226**	**-**	**112,560**	**167,162**	**-**	**-**	**-**	**-**	**(79,364)**	**(34,247)**	**8**	**1,053,254**	**660,141**
2	Others															
	Standard	1	64,108	19,459	9	3,512,340	701,984	(2)	(261,210)	(156,558)	-	(8,526)	(4,694)	8	3,306,712	560,191
	Substandard	1	28,318	28,050	-	-	-	2	261,210	156,558	(1)	(28,318)	(28,050)	2	261,210	156,558
	Doubtful	1	105,421	105,421	-	-	-	-	-	-	-	-	-	1	105,421	105,421
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**3**	**197,847**	**152,930**	**9**	**3,512,340**	**701,984**	**-**	**-**	**-**	**(1)**	**(36,844)**	**(32,744)**	**11**	**3,673,343**	**822,170**
3	Grand Total															
	Standard	7	1,006,951	471,715	9	3,624,900	869,146	(4)	(513,943)	(353,516)	-	(68,685)	(20,845)	12	4,049,223	966,500
	Substandard	1	28,318	28,050	-	-	-	4	513,943	353,516	(1)	(28,318)	(28,050)	4	513,943	353,516
	Doubtful	3	182,636	180,391	-	-	-	-	-	-	-	(19,205)	(18,096)	3	163,431	162,295
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**11**	**1,217,905**	**680,156**	**9**	**3,624,900**	**869,146**	**-**	**-**	**-**	**(1)**	**(116,208)**	**(66,991)**	**19**	**4,726,597**	**1,482,311**

Notes:-

1. *There are no SME cases which have been restructured during the year ended March 31, 2015.*
2. *There have been no upgradations of restructured advances during the year ended March 31, 2015.*
3. *The outstanding amount and number of borrowers as at March 31, 2015 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 ₹ 544,255 thousands 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.*
7. *For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBOD.BP.BC.No.8/21.04.018/2014-15movement 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.*

18.5.6.6 Restructured Accounts

The details of accounts Restructured during the year ended March 31, 2014 are given below :

(₹ in thousands)

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	Provision thereon	No. of borrowers	Amount outstanding as at March 31,2014	Provision thereon as at March 31,2014	No. of borrowers	Amount outstanding as at March 31,2014	Provision thereon as at March 31,2014	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon
1	**CDR**															
	Standard	8	1,320,080	276,156	-	9,670	229,989	-	-	-	(2)	(386,907)	(53,889)	6	942,843	452,256
	Substandard	2	213,900	213,900	-	2,197	2,197	(1)	(33,582)	(33,582)	(1)	(182,515)	(182,515)	-	-	-
	Doubtful	1	97,025	61,049	-	-	-	1	33,582	33,582	-	(53,392)	(19,661)	2	77,215	74,970
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**11**	**1,631,005**	**551,105**	**-**	**11,867**	**232,186**	**-**	**-**	**-**	**(3)**	**(622,814)**	**(256,065)**	**8**	**1,020,058**	**527,226**
2	**Others**															
	Standard	2	107,684	17,611	-	-	29,898	(1)	(28,318)	(28,050)	-	(15,258)	-	1	64,108	19,459
	Substandard	1	105,421	105,421	-	-	-	-	(77,103)	(77,371)	-	-	-	1	28,318	28,050
	Doubtful	4	661	661	-	-	-	1	105,421	105,421	(4)	(661)	(661)	1	105,421	105,421
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**7**	**213,766**	**123,693**	**-**	**-**	**29,898**	**-**	**-**	**-**	**(4)**	**(15,919)**	**(661)**	**3**	**197,847**	**152,930**
3	**Grand Total**															
	Standard	10	1,427,764	293,767	-	9,670	259,887	(1)	(28,318)	(28,050)	(2)	(402,165)	(53,889)	7	1,006,951	471,715
	Substandard	3	319,321	319,321	-	2,197	2,197	(1)	(110,685)	(110,953)	(1)	(182,515)	(182,515)	1	28,318	28,050
	Doubtful	5	97,686	61,710	-	-	-	2	139,003	139,003	(4)	(54,053)	(20,322)	3	182,636	180,391
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**18**	**1,844,771**	**674,798**	**-**	**11,867**	**262,084**	**-**	**-**	**-**	**(7)**	**(638,733)**	**(256,726)**	**11**	**1,217,905**	**680,156**

Notes:-

1. *There are no SME cases which have been restructured during the year ended March 31, 2014.*
2. *There have been no upgradations of restructured advances during the year ended March 31, 2014.*
3. *The outstanding amount and number of borrowers as at March 31, 2014 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 ₹ 627,161 thousands 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.*
7. *For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBOD.BP.BC.No.7/21.04.018/2013-14 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.*

18.5.7 Financial assets sold to Securitization/Reconstruction Company for Asset Reconstruction

a) Details of Financial assets sold to Securitization/Reconstruction Company for the year ended March 31, 2015 are as follows-

(₹ in thousands)

Sr. No	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(i)	No. of accounts	1	8
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	450,000	1,885,843
(iii)	Aggregate consideration (includes Net Book Value of Security Receipts of ₹ 382,500 thousands (previous year ₹ 1,464,199 thousands)	450,000	1,953,000
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value*	-	67,157

**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).*

b) Details of Investments held as Security Receipts received by sale of NPA to Securitization/Reconstruction Company for the year ended March 31, 2015 and March 31, 2014 are as follows-

(₹ in thousands)

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, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Net Book value of investments in security receipts	2,124,336	1,741,836	85,506	85,649	2,209,842	1,827,485

18.5.8 Non-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, 2015 and March 31, 2014.

18.5.9 Provisions for Standard Assets

Provision on standard advances is ₹ 6,593,528 thousands and ₹ 4,153,204 thousands as at March 31, 2015 and March 31, 2014 respectively.

Schedules forming part of Financial Statement

18.5.10 Business ratios

Sr. No	Business Ratios	As at March 31, 2015	As at March 31, 2014
(i)	Interest income as a percentage to working funds[1]	9.90%	9.92%
(ii)	Non interest income as a percentage to working funds[1]	1.75%	1.71%
(iii)	Operating profit as a percentage to working funds[1]	2.78%	2.67%
(iv)	Return on assets[1]	1.71%	1.61%
(v)	Business (deposits + net advances) per employee (₹ '000)[2]	168,600	155,810
(vi)	Profit per employee (₹ '000)[2]	2,096	2,045

[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.

18.5.11 Asset Liability Management

In compiling the information of maturity pattern estimates and assumptions have been made by the management and have been relied upon by the auditors. For Investment Securities, the Bank buckets HFT portfolio and related depreciation in 29-90 days bucket or actual maturity whichever is earlier.

Specified assets and liabilities as at March 31, 2015

(₹ in thousands)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings
1 day	2,784,816	-	6,645,029	-
2 days to 7 days	9,829,279	599,861	39,446,315	450,000
8 days to 14 days	13,797,704	1,038,786	35,031,009	24,000,000
15 days to 28 days	16,237,554	7,558,301	45,117,804	1,300,000
29 days to 3 months	86,841,427	45,918,105	116,998,133	23,346,091
Over 3 to 6 months	81,114,305	25,116,612	136,151,083	31,547,560
Over 6 to 12 months	98,254,205	28,615,573	239,439,440	15,267,749
Over 1 year to 3 years	262,003,613	65,398,513	89,005,034	58,521,845
Over 3 years to 5 years	92,125,563	48,780,576	195,398,854	20,212,768
Over 5 years	92,509,695	243,026,039	8,525,781	87,558,000
TOTAL	**755,498,161**	**466,052,366**	**911,758,482**	**262,204,013**

Specified assets and liabilities as at March 31, 2014

(₹ in thousands)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings
1 day	2,038,182	1,000,000	10,161,393	-
2 days to 7 days	9,825,771	-	33,860,159	34,261,300
8 days to 14 days	5,300,496	-	26,722,761	10,334,371
15 days to 28 days	2,362,994	1,150,296	41,901,566	9,695,158
29 days to 3 months	70,227,708	6,918,020	117,345,681	17,443,533
Over 3 to 6 months	31,407,294	3,765,540	134,913,352	21,854,883
Over 6 to 12 months	84,425,727	10,457,610	173,757,905	18,447,712
Over 1 year to 3 years	128,890,741	68,049,943	52,519,462	26,863,744
Over 3 years to 5 years	147,500,815	92,875,814	144,045,571	5,641,775
Over 5 years	74,349,894	225,286,401	6,692,303	68,600,386
TOTAL	**556,329,622**	**409,503,624**	**741,920,153**	**213,142,862**

Foreign currency denominated assets and liabilities as at March 31, 2015 and as at March 31, 2014:

(₹ in thousands)

Maturity Buckets	As at March 31, 2015		As at March 31, 2014	
	Assets	Liabilities	Assets	Liabilities
1day	9,303,722	4,106	9,546,533	49,693
2 days to 7 days	5,929,492	49,525	3,119,335	77,349
8 days to 14 days	1,643,121	125,424	433,229	112,533
15 days to 28 days	1,222,448	358,855	1,795,867	2,505,997
29 days to 3 months	10,973,112	8,346,135	9,066,090	5,090,420
Over 3 to 6 months	7,836,788	22,167,788	4,828,050	19,823,050
Over 6 to 12 months	4,445,473	28,780,173	127,657	6,073,550
Over 1 year to 3 years	3,799,502	34,681,643	1,846,872	14,495,258
Over 3 years to 5 years	2,656,554	11,061,542	428,480	8,244,323
Over 5 years	1,036,285	26,340,752	180,400	13,942,711
TOTAL	**48,846,497**	**131,915,943**	**31,372,513**	**70,414,884**

Schedules forming part of Financial Statement

18.5.12 Exposures

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market and real estate.

18.5.12.1 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 thousands)

Sr. No	Particulars	As at March 31, 2015	As at March 31, 2014
i)	**Direct exposure**		
	Residential Mortgages	6,789,379	4,522,225
	Commercial Real Estate*	98,551,951	66,014,668
	Of total Commercial real estate - exposure to residential real estate projects	83,735,093	52,659,058
	of total Commercial Real Estate outstanding as advances	65,036,080	38,395,118
	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	- Residential	1,909,842	2,285,736
	- Commercial Real Estate	-	-
ii)	**Indirect exposure**		
	Fund based and non fund based exposures on National Housing Board and Housing Finance Companies	21,217,324	23,620,915
	TOTAL	**128,468,496**	**96,443,544**

**Commercial real estate exposure classification is based on RBI circular DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009.*

18.5.12.2 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 thousands)

Sr. No	Particulars	As at March 31, 2015	As at March 31, 2014
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;	1	21,938
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;	82,691	20,724
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	4,971,817	6,435,238

(₹ in thousands)

Sr. No	Particulars	As at March 31, 2015	As at March 31, 2014
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	6,049,137*	3,295,741
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;	2,344,822	-
vii)	bridge loans to companies against expected equity flows / issues;	-	640,000
viii)	underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix)	financing to stockbrokers for margin trading	-	-
x)	all exposures to Venture Capital Funds (both registered and unregistered)	225,895	142,136
	Total Exposure to Capital Market	**13,674,363**	**10,555,777**

Capital market exposure is reported in line with Para 2.3 of RBI's Master Circular on Exposure Norms dated July 1, 2014 (DBOD.No.Dir. BC.12/13.03.00/2014-15).

** Out of the above ₹ 2,000,000 thousands is exposure to YES Securities (India) Ltd, which is a subsidiary of the Bank.*

18.5.12.3 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorized into various risk categories listed in the following table. As at March 31, 2015 and March 31, 2014, the Bank's funded exposure to any individual country did not exceed 1% of the total funded assets of the Bank :

(₹ in thousands)

Risk Category	Exposure (net) as at March 31, 2015	Provision held as at March 31, 2015	Exposure (net) as at March 31, 2014	Provision held as at March 31, 2014
Insignificant	52,098,830	-	41,877,377	-
Low	2,767,216	-	4,713,207	-
Moderately Low	116,957	-	54,720	-
Moderate	-	-	301	-
Moderate High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
TOTAL	**54,983,003**	**-**	**46,645,605**	**-**

18.5.12.4 Details of Single Borrower Limit (SBL) and Group Borrower Limit (GBL)

During the year ended March 31, 2015 and March 31, 2014, 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, 2015, the Bank has not exceeded regulatory single borrower or group borrower exposure limit.

Schedules forming part of Financial Statement

During the year ended March 31, 2014, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Sesa Sterlite Ltd from 15% of Capital Funds to 20% of Capital Funds. At March 31, 2014, the exposure to Sesa Sterlite Ltd as a percentage of capital funds as of March 31, 2014 was 17.0%.

During the year ended March 31, 2014, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in group borrower limit for Tata Group from 50% of Capital Funds to 55% of Capital Funds. At March 31, 2014, the exposure to Tata Group as a percentage of capital funds as of March 31, 2014 was 40.7%.

18.6 Miscellaneous

18.6.1 Income Taxes

Provisions made for Income Tax during the year

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Current income tax expense	10,108,565	7,784,118
Deferred income tax benefit	(1,061,100)	(699,103)
TOTAL	**9,047,465**	**7,085,015**

18.6.2 Disclosure of penalties imposed by RBI

As per the provision of RBI Master Circular DCM (CC) No. G-3/03.39.01/2013-14 –Scheme of Incentive and penalties for Bank branches based on performance in rendering customer service to the member of public dated July 1, 2013, RBI has imposed penalty of ₹ 10 thousand in June 2014 on account of deficiencies in services in providing facility for adjudication and exchange of mutilated notes.

RBI has imposed penalty of ₹ 1,000 thousands in July 2014 under sub section 1 of Section 47A of the Banking Regulation Act, 1949 for non compliance with the RBI guidelines pertaining to discipline in current account opening and quarterly exchange of information amongst banks under Multiple / Consortium banking.

RBI has levied penalty of ₹ 20,000 thousand in July 2013 under Section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949 for non compliance of the RBI instruction on Know Your Customer/Anti Money Laundering. Further, in terms of RBI circular reference no. IDMD.DOD.17/11.01.01 (B) 2010-11 dated July 14, 2010, RBI has levied penalty of ₹ 500 thousand on January 3, 2014 on account of instance of Subsidiary General Ledger (SGL) bounce due to insufficient balance in the SGL account.

18.6.3 Fees/ Remuneration received from bancassurance

Bank has earned ₹ 357,876 thousands from bancassurance business during year ended March 31, 2015 (previous year: ₹ 237,572 thousands).

18.6.4 Concentration of Deposits

As at March 31, 2015, the deposits of top 20 depositors aggregated to ₹ 120,505,557 thousands (previous year: ₹ 104,528,126 thousands) (excluding certificate of deposits, which are tradable instruments), representing 13.22% (previous year: 14.09%) of the total deposit base.

18.6.5 Concentration of Advances

As at March 31, 2015 the top 20 advances aggregated to ₹ 234,026,685 thousands (previous year ₹ 200,355,130 thousands), representing 14.24% (previous year 16.19%) of the total advances. For this purpose, advance is computed as per definition of Credit Exposure in RBI Master Circular on Exposure Norms DBOD.No.Dir. BC.12/13.03.00/2014-15 dated July 1, 2014.

18.6.6 Concentration of Exposures

As at March 31, 2015 the top 20 exposures aggregated to ₹ 261,110,589 thousands (previous year ₹ 229,680,404

thousands), representing 14.35% (previous year 16.10%) of the total exposures. Exposure is computed as per definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBOD.No.Dir. BC.12/13.03.00/2014-15 dated July 1, 2014.

18.6.7 Overseas Assets, NPAs and Revenue

For the year ended March 31, 2015 and March 31, 2014, the Bank has not earned any revenue from overseas branches. The Bank does not have any assets or NPA from overseas branches as at March 31, 2015 and March 31, 2014.

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.

18.7.1 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, 2015 and March 31, 2014:

Changes in present value of Obligations

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Present Value of Obligation at the beginning of the year	315,654	264,117
Interest Cost	27,439	19,997
Current Service Cost	152,774	106,376
Past Service Cost	-	-
Benefits Paid	(16,784)	(17,424)
Actuarial (gain)/loss on Obligation	(17,417)	(57,412)
Present Value of Obligation at the end of the year	461,666	315,654

Changes in the fair value of planned assets:

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Fair value of plan assets at the beginning of the year	168,394	32,304
Adjustment to Opening Balance	1,557	83
Expected return on plan assets	23,269	9,127
Contributions	180,000	150,000
Benefits paid	(16,784)	(17,424)
Actuarial gain/(loss) on planned assets	(2,487)	(5,696)
Fair value of planned assets at the end of the period	353,949	168,394

The Bank has entire contribution of Gratuity Fund as Investments with Insurance Companies.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Schedules forming part of Financial Statement

Net gratuity cost for the year ended March 31, 2015 and March 31, 2014 comprises the following components:

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Current Service Cost	152,774	106,376
Interest Cost	27,439	19,997
Expected Return on plan assets	(23,269)	(9,127)
Net Actuarial gain recognized in the year	(14,931)	(51,715)
Past Service Cost	-	-
Expenses recognized	142,013	65,531

Experience History:

(₹ in thousands)

	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	33,714	(62,747)	11,805
Experience (Gain)/Loss on obligation	(51,130)	5,335	(31,406)
Actuarial Gain/(Loss) on planned assets	(2,487)	(5,696)	(2,403)

The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2015	For the year ended March 31, 2014
Discount Rate	7.89%	8.93%
Expected Return on Plan Assets	9.25%	9.25%
Mortality	IALM (2006-08) Ult	L.I.C. (1994-96) Ultimate Table
Future Salary Increases	12%	12%
Disability	-	-
Attrition	13% - 25%	13% - 25%
Retirement	60 yrs	60 yrs

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset / liability

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Present Value of Obligation at the end of the year	461,666	315,654
Fair value of planned assets at the end of the period	353,949	168,394
Plan asset / (liability)	(107,717)	(147,260)

The Bank is yet to determine future contribution to Gratuity fund for Financial Year 2015-16

18.7.2 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 mobilization from other banks and financial institutions.
- **Corporate / Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2015 are set out below:

(₹ in thousands)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	32,602,890	89,844,659	8,653,440	682,329	131,783,318
Less: Inter-segment					4,402,816
Revenue net of inter- segment					136,186,134
Result	20,772,106	24,619,566	(1,632,334)	419,504	44,178,842
Unallocated Expenses					(15,077,763)
Operating Profit					29,101,079
Income Taxes					9,047,465
Extra-ordinary Profit/(Loss)					-
Net Profit					**20,053,614**
Other Information:					
Segment assets	576,465,331	680,594,770	94,275,662	48,064	1,351,383,827
Unallocated assets					10,320,271
Total assets					**1,361,704,098**
Segment liabilities	243,849,230	622,010,061	292,956,866	3,408,113	1,162,224,270
Unallocated liabilities					199,479,828
Total liabilities					**1,361,704,098**

Schedules forming part of Financial Statement

Segmental results for the year ended March 31, 2014 are set out below:

(₹ in thousands)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	33,839,160	73,051,983	5,650,572	444,249	112,985,964
Add/(Less): Inter-segment					3,974,802
Revenue net of inter- segment					116,960,765
Result	14,877,394	21,749,537	(638,170)	195,259	36,184,020
Unallocated Expenses					(12,921,203)
Operating Profit					23,262,817
Income Taxes					7,085,015
Extra-ordinary Profit/(Loss)					-
Net Profit					16,177,802
Other Information:					
Segment assets	512,444,049	516,845,449	52,459,440	28,247	1,081,777,185
Unallocated assets					8,380,714
Total assets					**1,090,157,899**
Segment liabilities	232,245,520	506,399,531	197,129,929	3,804,822	939,579,802
Unallocated liabilities					150,578,097
Total liabilities					**1,090,157,899**

Notes for segment reporting:

1. *The business of the Bank is concentrated in India. Accordingly, geographical segment results have not been reported.*
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. *Fixed assets and related depreciation on fixed assets, non treasury related bank balances at branches, Bills payable, Tax related accounts, Tier II instruments, IPDI instruments and relevant interest and rent expenses which cannot be allocated to any segments have been classified as unallocated. The unallocated liabilities include Share Capital and Reserves and Surplus.*
5. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

18.7.3 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", prescribed by 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, 2015 are disclosed below:

Subsidiary

- Yes Securities (India) Limited.

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 Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2015:

(₹ in thousands)

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	171,940*	191,937	#	#	7,558*	64,132
Investment	350,000*	350,000				
Interest paid	7,926		#		2,340	
Reimbursement of Cost incurred	789		#		-	
Receiving of services	22,041				-	
Dividend paid	-		#			

** Represents outstanding as of March 31, 2015*

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

As per AS 18 "Related Party Disclosures", prescribed by the Companies (Accounting Standards) Rules, 2006, the Bank's related parties for the year ended March 31, 2014 are disclosed below:

Subsidiary

- Yes Securities (India) Limited.

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 Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2014:

(₹ in thousands)

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	65,722*	123,192	#	#	4,061*	69,636
Investment	175,000*	175,000				
Interest paid	5,421		#		5,216	
Reimbursement of Cost incurred	327		#		-	
Dividend paid	-		#		-	

** Represents outstanding as of March 31, 2014*

 # In FY 2013-14 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".

Schedules forming part of Financial Statement

18.7.4 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2015 was ₹ 2,206,079 thousands (Previous year: ₹ 1,976,918 thousands).

As at March 31, 2015 and March 31, 2014 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 thousands)

Lease obligations	As at March 31, 2015	As at March 31, 2014
Not later than one year	1,983,714	1,844,065
Later than one year and not later than five years	6,713,532	7,589,364
Later than five years	5,427,271	3,332,577
TOTAL	**14,124,517**	**12,766,006**

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.

18.7.5 Earnings Per Share ('EPS')

The Bank 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 Bank.

The computation of earnings per share is given below:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Basic (annualized)		
Weighted average no. of equity shares outstanding	406,424,796	360,162,478
Net profit / (loss) (₹ ' 000)	20,053,614	16,177,802
Basic earnings per share (₹)	49.34	44.92
Diluted (annualized)		
Weighted average no. of equity shares outstanding	417,699,861	364,763,008
Net profit / (loss) (₹' 000)	20,053,614	16,177,802
Diluted earnings per share (₹)	48.01	44.35
Nominal value per share (₹)	10.00	10.00

18.7.6 ESOP disclosures

Statutory Disclosures Regarding Joining Stock Option Scheme:

The Bank 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 Bank and its subsidiaries/ affiliates. All the aforesaid schemes have been approved by the Board Remuneration Committee and the Board of Directors and were also approved by the members of the Bank. All these schemes are administered by the Board Remuneration Committee.

JSOP I was for employees joining the Bank on or before March 31, 2005. All the grants under JSOP I were made before the IPO of the Bank. 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.

A summary of the status of the Bank's stock option plans as on March 31, 2015 and March 31, 2014 is set out below:

	As at March 31, 2015		As at March 31, 2014	
	PESOP	JESOP	PESOP	JESOP
Options outstanding, beginning of year	14,538,600	5,931,438	13,255,450	6,394,155
Granted during the year	2,306,000	575,900	3,377,250	1,020,600
Exercised during the year	1,969,700	1,640,500	1,249,100	762,237
Forfeited / lapsed during the year	425,400	336,550	845,000	721,080
Options outstanding, end of year	14,449,500	4,530,288	14,538,600	5,931,438
Options exercisable	2,850,350	956,288	2,973,700	1,561,538
Weighted average exercise price (₹)	228.11	218.79	182.17	173.16
Weighted average remaining contractual life of outstanding option (yrs)	2.07	1.74	2.35	1.86

Schedules forming part of Financial Statement

The Bank has charged Nil, being the intrinsic value of the stock options granted for the year ended March 31, 2015 and March 31, 2014. 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 ₹ 353,234 thousands (Previous year: ₹ 341,904 thousands), the basic earnings per share would have been ₹ 48.47 (Previous year: ₹ 43.97) per share instead of ₹ 49.34 (Previous year: ₹ 44.92) per share; and diluted earnings per share would have been ₹ 47.16 (Previous year: ₹ 43.42) per share instead of ₹ 48.01 (Previous year: ₹ 44.35) per share

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2015 and March 31, 2014.

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Risk free interest rate	8.10%-9.23%	7.67%-9.11%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	31.06%-48.72%	25.01%-45.24%
Expected dividends	1.50%	1.50%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.7.7 Deferred Taxation

The deferred tax asset of ₹ 3,554,425 thousands as at March 31, 2015 and ₹ 2,493,325 thousands as at March 31, 2014, is included under other assets and the corresponding credits have been taken to the profit and loss account.

The components that give rise to the deferred tax asset included in the balance sheet are as follows:

(₹ in thousands)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax asset		
Depreciation	233,379	173,554
Provision for gratuity and unutilized leave	115,686	105,080
Provision for Non Performing Assets	6,714	6,714
Amortization of premium on HTM securities	438,785	380,917
Provision for standard advances	2,177,244	1,347,778
Other Provisions	582,617	479,282
Deferred tax asset	**3,554,425**	**2,493,325**

18.7.8 Provisions and Contingencies

The breakup of provisions of the Bank for the year ended March 31, 2015 and March 31, 2014 are given below:

(₹ in thousands)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Provision for taxation	9,047,465	7,085,015
Provision for investments	(584,289)	860,079
Provision for standard advances	2,440,324	1,278,978
Provision made/write off for non performing advances	1,300,099	1,358,169
Others Provisions*	238,650	119,615
TOTAL	**12,442,249**	**10,701,856**

** Other Provisions includes provision made against other assets and provision for sacrifice of interest on Restructured Assets.*

18.8 Other Disclosures

18.8.1 Disclosure on Remuneration

a. Information relating to the composition and mandate of the 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 BRC shall comprise a minimum of 3 Board members, of which two would be independent directors, besides the MD and CEO.

Composition of the Nomination & Remuneration Committee (N&RC) of the Bank as on March 31, 2015 is as follows:

- ✓ Mr. Brahm Dutt, Independent Director (Chairman)
- ✓ Ms. Radha Singh, Non-Executive Chairperson
- ✓ Mr. Mukesh Sabharwal, Independent Director

The roles and responsibilities of the Nomination and Remuneration Committee (N&RC) are as under-

- ✓ to review the Bank's overall Compensation Structure and related policies with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other banks and the industry in general;
- ✓ to determine the Bank's policies on remuneration packages payable to the Directors including performance/achievement bonus, perquisites, retrials, sitting fee, etc;
- ✓ consider grant of stock options to employees and administer and supervise the Employee Stock Option Plans with particular reference to:
  - determination of quantum of options to be granted;
  - determination of grant price, vesting schedule, exercise period, etc
  - procedure for making fair and reasonable adjustments to the number of options granted in case of a corporate action such as rights issues, bonus, share split, mergers, etc.
  - conditions under which options would lapse in case of termination due to mis-conduct;
  - procedure for cashless exercise of options, if any;
  - to frame suitable policies to ensure compliance with all applicable laws, regulations.

Schedules forming part of Financial Statement

- Perform 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.

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.

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 FY 2014-15 where variable pay is 50% or more, 40-60% shall be deferred over minimum period of 3 years. In the event of a negative contribution, deferred compensation shall be subject to appropriate malus/claw back arrangements as decided by the Board Remuneration Committee. Guaranteed bonus shall not be a part of the compensation plan.

The compensation for executives in Risk Control and Compliance functions shall be independent of the business areas they oversee.

The Bank shall not provide any facility or funds or permit employees to insure or hedge their compensation structure to offset the risk alignment effects embedded in their compensation arrangement.

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:

Fixed Compensation (Total Cost to Company-TCC) - Includes value of perquisites.

Variable compensation in the form of Performance /Deferred Bonus – Variable pay shall be in the form of Performance Bonus which will be calculated as a percentage of Fixed Pay. The evaluation on risk management parameters is an integral part of the Annual Performance Review process, forming part of Key Result Areas of the executives with suitable weightage. The inputs for assessment on these parameters will be independently provided by the Risk Management function of the Bank.

Employee Stock Options Plans – These are formulated on a mid to long term basis by the Bank in accordance with SEBI and other Regulatory guidelines. The grant of ESOP shall be under approval from MD & CEO, which shall be subsequently ratified by the Board Remuneration Committee.

f. Quantitative Disclosures on Remuneration for MD & CEO and other risk takers

There were 3 meetings of the erstwhile Board Remuneration & Human Capital Management committee (now known as Nomination & Remuneration Committee) held during the year ended March 31, 2015. The Bank had paid a remuneration of ₹ 160 thousands to the members of the remuneration committee.

Schedules forming part of Financial Statement

(₹ in thousands)

			No of employees	For the year ended March 31, 2015	No of employees	For the year ended March 31, 2014
a.	(i)	Number of employees having received a variable remuneration award during the financial year. (refer Note 1)	5	94,507	5	79,883
	(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 1)	4	55,583	4	37,700
c.		Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred				
		Total remuneration award	5	285,598	5	246,959
		Of which Fixed Component	5	191,091	5	167,076
		Of which Variable Component	5	94,507	5	79,883
		Deferred	2	30,450	4	37,700
		Paid	5	64,057	5	42,183
d.	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.(refer Note 1)	4	55,583	4	37,700
	(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments.(refer Note 1)	-	-	-	-
	(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 1)	-	-	-	-

Note:

1. *Amounts disclosed represents variable pay paid during the year ended March 31, 2015 and March 31, 2014 is for services rendered by the risk takers during the year March 31, 2014 and March 31, 2013 respectively, since the bonus pool for the year ended March 31, 2015 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, 2015, 400,000 esops were issued to 3 risk takers (previous year 550,000 esops to 3 risktakers)*

18.8.2 Movement in Floating Provisions

The bank has not created or utilized any floating provisions during the financial year ended March 31, 2015 and financial year ended March 31, 2014. The floating provision as at March 31, 2015 was ₹ Nil (Previous year: ₹ Nil).

18.8.3 Drawdown on Reserves

During the financial year ended March 31, 2015, the Bank has not drawn down any reserve. (Previous year: ₹ Nil).

18.8.4 Liquidity Coverage Ratio (LCR)

Below mentioned is a position of Liquidity Coverage Ratio computed based on simple average of month end position during the quarter ended March 31, 2015.

(₹ in thousands)

		Average of month end position during the quarter ended March 31, 2015	
		Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	215,238,735	194,171,468
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	318,428,969	30,259,343
	(i) Stable deposits	31,671,077	1,583,554
	(ii) Less stable deposits	286,757,892	28,675,789
3	Unsecured wholesale funding, of which:	404,755,769	190,639,504
	(i) Operational deposits (all counterparties)	91,392,797	22,848,199
	(ii) Non-operational deposits (all counterparties)	313,362,972	167,791,305
	(iii) Unsecured debt	-	-
4	Secured wholesale funding	37,499,335	-
5	Additional requirements, of which	1,347,720	134,772
	(i) Outflows related to derivative exposures and other collateral requirements	-	-
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	1,347,720	134,772
6	Other contractual funding obligations	38,816,559	38,816,559
7	Other contingent funding obligations	673,134,595	33,656,730
8	**Total Cash Outflows**	**1,473,982,947**	**293,506,908**
Cash Inflows			
9	Secured lending (e.g. reverse repos)	-	-
10	Inflows from fully performing exposures	52,124,755	24,294,616
11	Other cash inflows	38,088,530	27,340,257
12	**Total Cash Inflows**	**90,213,285**	**51,634,873**
13	**Total HQLA**		**194,171,468**
14	**Total Net Cash Outflows**		**241,872,035**
15	**Liquidity Coverage Ratio (%)**		**80.3%**

Schedules forming part of Financial Statement

Liquidity Coverage Ratio (LCR):

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". The LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows by January 1, 2019. However, with a view to provide transition time, the guidelines mandate a minimum requirement of 60% w.e.f. January 1, 2015 and a step up of 10% every year to reach the minimum requirement of 100% by January 1, 2019.

The adequacy in the LCR maintenance is an outcome of a conscious strategy of the Bank towards complying with LCR mandate ahead of the stipulated timelines. The maintenance of LCR, both on end of period and on a average basis, has been on account of multiple factors viz. increase in excess SLR, existing eligibility in Corporate Bond Investments, increase in Retail deposits and increase in non callable deposits.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement; Corporate NCDs issued by non financial entities with rating AA- and above apart from regulatory dispensation allowed upto 7% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). 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 Bank has a diversified liability mix. The deposits of the Bank are diversified, granular and the Bank has sticky deposit mix from multiple sources. The Bank has witnessed continuing growth in number of liability accounts from both retail as well as corporate customers. CASA deposits of the Bank increased by 29.0% year-on-year from ₹ 163,447 million as at March 31, 2014 to ₹ 210,790 million as on March 31, 2015. Continued investment in retail branches and retail sales force has resulted in achieving consistent CASA growth. This represents a steady improvement in the share of granular and retail deposits with widespread geographic national coverage.

The Bank has not been maintaining HQLA in FCY given the lack of regulatory options as well as limited callable FCY liabilities. Further the Bank has a very limited exposure to liquidity 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.

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 Balance sheet management group (BSMG) in accordance with the ALCO guidance. 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 of the Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis. With the help of Structural and Daily Liquidity Statement prepared by the Bank, BSMG evaluates current and future liquidity requirement and takes necessary action.

18.8.5 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, 2015.

(₹ in thousands)

Particulars	As of March 31, 2015
Total amount of intra-group exposures	2,000,000
Total amount of top-20 intra-group exposures	2,000,000
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers (%)	0.11

18.8.6 Transfers to Depositor Education and Awareness Fund (DEAF)

The Bank has not transferred any funds to Depositor Education and Awareness Fund during financial year ended March 31, 2015.

18.8.7 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 towards the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines.

The Bank has maintained provision of ₹ 443,939 thousands and additional capital of ₹ 1,483,954 thousands on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2015.

18.8.8 Disclosure of complaints

A. Customer Complaints

		Year ended March 31, 2015	Year ended March 31, 2014
i)	No of Complaints pending at the beginning of the year	121	2
ii)	No. of Complaints received during the year	18,302	6,116
iii)	No. of Complaints redressed during the year	17,306	5,997
iv)	No. of Complaints pending at the end of the year	1,117	121

B. Awards passed by the Banking Ombudsman

		Year ended March 31, 2015	Year ended March 31, 2014
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

Schedules forming part of Financial Statement

18.8.9 Dues to Micro and Small Enterprises

Under the Micro and Small Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of information and records available with the management and confirmation sought by the management from suppliers on their registration with the specified authority under the said Act, there have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

18.8.10 Securitization Transactions

The Bank has not done any securitization transactions during the year ended March 31, 2015 and March 31, 2014.

18.8.11 Letter of comfort

The Bank has not issued any letter of comfort during the year ended March 31, 2015 and March 31, 2014.

18.8.12 Fixed Assets

The software capitalized under Fixed Asset was ₹ 200,409 thousands and ₹ 215,448 thousands as at March 31, 2015 and March 31, 2014 respectively.

(₹ in thousands)

Particulars	March 31, 2015	March 31, 2014
At cost at March 31st of preceding year	982,319	766,870
Additions during the year	200,409	215,448
Deductions during the year	-	-
Depreciation to date	818,854	642,218
Net block	**363,874**	**340,100**

18.8.13 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.

Sr. No.	Contingent Liabilities	Brief
	Liability on account of forward exchange and derivative contracts.	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 - Foreign Exchange Contracts (Tom & Spot)
Refer Schedule 12 for amounts relating to contingent liability		

18.8.14 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.

18.8.15 Prior period comparatives

Previous period's figures have been regrouped where necessary to conform to current year classification.

As per our report of even date attached.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

per **Viren H. Mehta**
Partner
Membership No: 048749

Mumbai
April 22, 2015

For and on behalf of the Board of Directors
YES BANK Limited

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Independent Auditor's 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 (the "Bank") and its subsidiary (together, the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2015, the consolidated Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and notes forming part of the accounts.

Management's Responsibility for the 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Group's management, 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 state of affairs of the Group as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report that:

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

(b) In our opinion, 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.

Other Matter

The accompanying financial statements include total assets of ₹ 255,584 thousands as at March 31, 2015, and total revenues and loss before tax of ₹ 44,329 thousands and ₹ 79,039 thousands for the year ended on that date, in respect of one subsidiaries, which has been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of the subsidiary is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

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

Place of Signature: Mumbai
Date: 22 April 2015

Consolidated Balance Sheet as at March 31, 2015

(₹ in thousands)

	Schedule	As at March 31, 2015	As at March 31, 2014
Capital and Liabilities			
Capital	1	4,177,361	3,606,336
Reserves and surplus	2	112,477,858	67,545,861
Deposits	3	911,587,769	741,856,256
Borrowings	4	262,204,013	213,142,862
Other liabilities and provisions	5	70,982,741	63,896,369
TOTAL		**1,361,429,742**	**1,090,047,684**
Assets			
Cash and balances with Reserve Bank of India	6	52,406,527	45,415,835
Balances with banks and money at call and short notice	7	23,167,452	13,500,955
Investments	8	465,702,366	409,328,624
Advances	9	755,498,162	556,329,622
Fixed assets	10	3,218,219	2,970,942
Other assets	11	61,437,016	62,501,706
TOTAL		**1,361,429,742**	**1,090,047,684**
Contingent liabilities	12	3,372,992,517	2,010,168,222
Bills for collection		13,739,445	9,970,631
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

For and on behalf of the Board of Directors
YES BANK Limited

per **Viren H. Mehta**
Partner
Membership No: 048749

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 22, 2015

Consolidated Profit and Loss Account

for the year ended March 31, 2015

(₹ in thousands)

	Schedule	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
I. Income			
Interest earned	13	115,720,065	99,813,521
Other income	14	20,479,127	17,215,800
TOTAL		**136,199,192**	**117,029,321**
II. Expenditure			
Interest expended	15	80,833,820	72,645,498
Operating expenses	16	22,948,548	17,568,753
Provisions and contingencies	17	12,442,597	10,702,483
TOTAL		**116,224,965**	**100,916,734**
III. Profit			
Net profit for the period		19,974,227	16,112,587
Profit brought forward		32,009,349	23,383,674
TOTAL		**51,983,576**	**39,496,261**
IV. Appropriations			
Transfer to Capital Reserve		262,447	41,359
Transfer to Statutory Reserve		5,013,404	4,044,451
Transfer to Investment Reserve		124,099	4,385
Dividend paid for last year		2,253	4,026
Tax on Dividend paid for last year		383	17,305
Proposed Dividend		3,759,625	2,885,069
Tax (including surcharge & education cess) on Dividend		765,460	490,317
Balance carried over to balance sheet		42,055,905	32,009,349
TOTAL		**51,983,576**	**39,496,261**
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
Earning per share (Refer Sch.18.12)			
Basic (₹)		49.15	44.74
Diluted (₹)		47.82	44.17
(Face Value of Equity Share is ₹ 10/-)			

As per our report of even date attached.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

For and on behalf of the Board of Directors
YES BANK Limited

per **Viren H. Mehta**
Partner
Membership No: 048749

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 22, 2015

Consolidated Cash Flow Statement

for the year ended March 31, 2015

(₹ in thousands)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from Operating Activities		
Net profit before taxes	29,022,040	23,198,229
Adjustment for		
Depreciation for the year	863,410	635,429
Amortization of premium on investments	447,592	446,589
Provision for investments	(584,289)	860,079
Provision for standard advances	2,440,324	1,278,978
Provision/write off of non performing advances	1,300,099	1,358,169
Other provisions	238,650	117,615
Loss from sale of fixed assets	1,577	948
	33,729,403	**27,896,036**
Adjustments for :		
Increase/(Decrease) in Deposits	169,731,513	72,300,904
Increase/(Decrease) in Other Liabilities	4,786,991	8,791,016
(Increase)/Decrease in Investments	(12,922,909)	45,667,469
(Increase)/Decrease in Advances	(200,468,639)	(87,692,128)
(Increase)/Decrease in Other assets	874,470	(14,302,318)
	(37,998,574)	**24,764,943**
Payment of direct taxes	(10,386,886)	(8,305,958)
Net cash generated from operating activities (A)	**(14,656,057)**	**44,355,021**
Cash Flow from investing activities		
Purchase of fixed assets	(1,075,454)	(1,245,993)
Proceeds from sale of fixed assets	18,760	24,931
Changes in Capital work in progress	(55,569)	(90,805)
Investment in HTM	(43,314,136)	(26,542,841)
Net cash generated from investing activities (B)	**(44,426,399)**	**(27,854,708)**

(₹ in thousands)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash Flow from financing activities		
Increase in Borrowings	49,061,151	1,121,390
Innovative Perpetual Debt raised	-	2,800,000
Proceeds from issuance of Equity Shares	571,025	20,113
Share Premium received thereon	29,485,491	339,509
Dividend paid during the year	(2,887,322)	(2,155,760)
Tax on dividend	(490,700)	(366,372)
Net cash generated from financing activities (C)	**75,739,645**	**1,758,880**
Net increase in cash and cash equivalents (A+B+C)	**16,657,189**	**18,259,193**
Cash and cash equivalents as at April 1	58,916,790	40,657,597
Cash and cash equivalents as at March 31	75,573,979	58,916,790
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	52,406,527	45,415,835
Balances with Banks and Money at Call and Short Notice	23,167,452	13,500,955
Cash and cash equivalents as at March 31	**75,573,979**	**58,916,790**

As per our report of even date attached.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

For and on behalf of the Board of Directors
YES BANK Limited

per **Viren H. Mehta**
Partner
Membership No: 048749

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 22, 2015

Schedules forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As at March 31, 2015	As at March 31, 2014
Schedule 1 - Capital		
Authorized Capital		
600,000,000 equity shares of ₹ 10/- each	6,000,000	6,000,000
Issued, subscribed and paid-up capital		
417,736,098 equity shares of ₹ 10/- each	4,177,361	3,606,336
(March 31, 2014 : 360,633,626 equity shares of ₹ 10/- each) [Refer Sch 18.6]		
TOTAL	**4,177,361**	**3,606,336**

Schedule 2 - Reserves and Surplus				
I.	**Statutory Reserves**			
	Opening balance		14,384,732	10,340,281
	Additions during the year		5,013,404	4,044,451
	Closing balance		**19,398,136**	**14,384,732**
II.	**Share Premium**			
	Opening balance		19,265,118	18,925,609
	Additions during the period [Refer Sch 18.6]		29,657,964	339,509
	Deductions during the year [Refer Sch 18.6]		172,473	-
	Closing balance		**48,750,609**	**19,265,118**
III.	**Capital Reserve**			
	Opening balance		1,784,564	1,743,205
	Additions during the year		262,447	41,359
	Closing balance		**2,047,011**	**1,784,564**
IV.	**Investment Reserve**			
	Opening balance		102,098	97,713
	Additions during the year		124,099	4,385
	Closing balance		**226,197**	**102,098**
V.	**Balance in Pro it and Loss Account**		**42,055,905**	**32,009,349**
		TOTAL	**112,477,858**	**67,545,861**

Schedule 3 - Deposits				
A.	**I.**	**Demand Deposits**		
		i) From Banks	3,756,166	2,346,947
		ii) From Others	81,224,486	67,824,661
	II.	**Savings Bank Deposit**	125,795,428	93,275,190
	III.	**Term Deposits**		
		i) From banks	50,676,446	63,293,491
		ii) From others	650,135,243	515,115,967
		TOTAL	**911,587,769**	**741,856,256**
B.	**I.**	**Deposits of branches in India**	911,587,769	741,856,256
	II.	**Deposits of branches outside India**	-	-
		TOTAL	**911,587,769**	**741,856,256**

(₹ in thousands)

	As at March 31, 2015	As at March 31, 2014
Schedule 4 - Borrowings		
I. Innovative Perpetual Debt Instruments (IPDI) and Tier II Debt		
A. Borrowing in India		
i) IPDI	7,410,000	7,410,000
ii) Upper Tier II Borrowings	19,367,000	19,367,000
iii) Lower Tier II Borrowings	30,255,000	30,255,000
TOTAL (A)	**57,032,000**	**57,032,000**
B. Borrowings outside India		
i) IPDI	312,500	299,575
ii) Upper Tier II Borrowings	10,577,768	10,382,401
iii) Lower Tier II Borrowings	-	-
TOTAL (B)	**10,890,268**	**10,681,976**
TOTAL (A+B)	**67,922,268**	**67,713,976**
II. Other Borrowings*		
A. Borrowings in India		
i) Reserve Bank of India	24,000,000	35,020,000
ii) Other banks	14,925,000	26,610,000
iii) Other institutions and agencies **	67,210,000	31,554,417
TOTAL (A)	**106,135,000**	**93,184,417**
B. Borrowings outside India (B)	**88,146,745**	**52,244,469**
TOTAL (A+B)	**194,281,745**	**145,428,886**
TOTAL (I+II)	**262,204,013**	**213,142,862**

**Secured borrowings are ₹ 24,000,000 thousands (March 31, 2014 : ₹ 31,300,000 thousands).*

***Including refinance borrowing.*

Schedule 5 - Other Liabilities and Provisions		
I. Bills payable	3,408,352	2,050,477
II. Inter-office adjustments (net)	-	-
III. Interest accrued	12,168,775	8,868,695
IV. Others (including provisions)		
- Provision for standard advances	6,593,528	4,153,204
- Country risk exposures	-	-
- Others	48,812,086	48,823,993
TOTAL	**70,982,741**	**63,896,369**

Schedule 6 - Cash and Balances With Reserve Bank of India		
I. Cash in hand	3,645,849	2,300,121
II. Balances with Reserve Bank of India		
- In current account	48,760,678	43,115,714
- In other account	-	-
TOTAL	**52,406,527**	**45,415,835**

Schedules forming a part of Consolidated Balance Sheet

(₹ in thousands)

		As at March 31, 2015	As at March 31, 2014
Schedule 7 - Balances With Banks, Money at Call and Short Notice			
I.	**In India**		
	Balances with banks-		
i)	in current accounts	260,854	420,177
ii)	in other deposit accounts	65	60
	Money at call and short notice		
i)	with Banks	450,000	500,000
ii)	with other institutions	-	-
iii)	lending under reverse repo (RBI & Banks)	9,000,000	555,030
	TOTAL (I)	**9,710,919**	**1,475,267**
II.	**Outside India**		
i)	in current account	8,769,033	9,329,513
ii)	in other deposit account	-	-
iii)	money at call and short notice	4,687,500	2,696,175
	TOTAL (II)	**13,456,533**	**12,025,688**
	TOTAL (I+II)	**23,167,452**	**13,500,955**

Schedule 8 - Investments (net of provisions)			
A.	**Investments in India in**		
i)	Government Securities	300,012,130	224,290,105
ii)	Other approved securities	-	-
iii)	Shares	601,370	932,480
iv)	Debentures and bonds	94,667,483	103,155,907
v)	Subsidiaries and/or joint ventures	-	-
vi)	Others (CPs, CDs, Pass through certificates etc)	70,421,383	80,950,132
	TOTAL	**465,702,366**	**409,328,624**
B.	**Investments outside India**	-	-
	TOTAL	**465,702,366**	**409,328,624**

Schedule 9 - Advances			
A. i)	Bills purchased and discounted	16,024,073	12,871,890
ii)	Cash credit, overdrafts and loans payable on demand	173,764,530	142,758,282
iii)	Term loans	565,709,559	400,699,450
	TOTAL	**755,498,162**	**556,329,622**
B. i)	Secured by tangible assets (includes advances secured by fixed deposits and book debt)	518,241,518	374,024,050
ii)	Covered by Bank/Government guarantees	1,553,036	5,625,707
iii)	Unsecured (Note 1 and 2)	235,703,608	176,679,865
	TOTAL	**755,498,162**	**556,329,622**

1 Includes advances of ₹ 144,283,634 thousands (March 31, 2014 ₹ 82,545,143 thousands) for which security documentation is either being obtained or being registered.

2 There are no outstanding advances as at March 31, 2015 and March 31, 2014 for which intangible securities such as charge over the rights, licenses, authority, etc of has been taken.

(₹ in thousands)

		As at March 31, 2015	As at March 31, 2014
C.	**Advances in India**		
i)	Priority sectors	189,458,960	145,642,222
ii)	Public sector	38,511	62,516
iii)	Banks	331,699	1,656,781
iv)	Others	565,668,992	408,968,103
	TOTAL	**755,498,162**	**556,329,622**
	Advances outside India	-	-
	TOTAL	**755,498,162**	**556,329,622**

Schedule 10 - Fixed Assets			
I.	Premises	-	-
II.	Other Fixed Assets (including furniture and fixtures)		
	At cost as on March 31 of preceding year	5,359,762	4,271,173
	Additions during the year	1,075,454	1,245,993
	Deductions during the year	(114,355)	(154,705)
	Accumulated depreciation to date	(3,359,963)	(2,593,271)
		2,960,898	**2,769,190**
	Capital work-in-progress	257,321	201,752
	TOTAL	**3,218,219**	**2,970,942**

Schedule 11 - Other Assets			
I.	Interest Accrued	18,018,071	15,452,407
II.	Advance tax and tax deducted at source	722,534	442,198
III.	Deferred tax asset (Refer Sch 18.14)	3,553,450	2,492,698
IV.	Non-Banking assets aquired in satisfaction of claims	452,030	510,030
V	Others	38,690,931	43,604,372
	TOTAL	**61,437,016**	**62,501,706**

Schedule 12 - Contingent Liabilities			
I.	Claims against the bank not acknowledged as debts	4,521	-
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	2,116,095,628	1,104,666,493
IV.	Liability on account of outstanding derivative contracts		
	- Single currency Interest Rate Swap	634,287,012	498,750,662
	- Others	193,447,010	95,971,508
V.	Guarantees given on behalf on constituents		
	- in India	142,909,758	104,640,628
	- Outside India	-	-
VI.	Acceptances, endorsement and other obligations	225,393,720	164,442,130
VII.	Other items for which the bank is contingently liable		
	- Value dated purchase of securities	119,018	206,475
	- Capital commitment	346,840	238,440
	- Foreign exchange contracts (Tom & Spot)	60,389,010	41,251,886
	TOTAL	**3,372,992,517**	**2,010,168,222**

Schedules forming part of the Consolidated Profit and Loss Account

(₹ in thousands)

		April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
Schedule 13 - Interest Earned			
I.	Interest/discount on advances/bills	80,160,944	65,399,853
II.	Income on investments	35,106,289	34,144,577
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	428,932	238,880
IV.	Others	23,900	30,211
	TOTAL	**115,720,065**	**99,813,521**
Schedule 14 - Other Income			
I.	Commission, exchange and brokerage	19,779,375	12,609,234
II.	Profit on the sale of investments (net)	1,420,957	1,661,620
III.	Profit/(Loss) on the revaluation of investments (net)	-	-
IV.	Loss on sale of land, building and other assets	(1,577)	(948)
V.	Profit on exchange transactions (net)	(670,297)	1,985,108
VI.	Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous income	(49,331)	960,786
	TOTAL	**20,479,127**	**17,215,800**
Schedule 15 - Interest Expended			
I.	Interest on deposits	65,360,308	56,180,977
II.	Interest on Reserve Bank of India/inter-bank borrowings/Tier I and Tier II debt instruments	14,722,956	15,824,830
III.	Others	750,556	639,691
	TOTAL	**80,833,820**	**72,645,498**
Schedule 16 - Operating Expenses			
I.	Payments to and provisions for employees	9,866,274	7,886,371
II.	Rent, taxes and lighting	2,682,159	2,303,815
III.	Printing and stationery	168,241	131,930
IV.	Advertisement and publicity	703,212	597,823
V.	Depreciation on Bank's property	860,714	635,429
VI.	Directors' fees, allowances and expenses	12,367	5,739
VII.	Auditors' fees and expenses	8,655	7,788
VIII.	Law charges	11,899	21,051
IX.	Postage, telegrams, telephones, etc.	306,046	250,479
X.	Repairs and maintenance	159,600	110,318
XI.	Insurance	691,460	528,209
XII.	Other expenditure	7,477,921	5,089,801
	TOTAL	**22,948,548**	**17,568,753**
Schedule 17 - Provisions & Contingencies			
I.	Provision for taxation (Refer Sch 18.7)	9,047,813	7,085,642
II.	Provision for investments	(584,289)	860,079
III.	Provision for standard advances	2,440,324	1,278,978
IV.	Provision/write off for non performing advances	1,300,099	1,358,169
V.	Other Provisions	238,650	119,615
	TOTAL	**12,442,597**	**10,702,483**

18 Notes forming part of the Consolidated Accounts for the year ended March 31, 2015

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 Limited 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") is a wholly owned subsidiary of the Bank incorporated in India on March 14, 2013 to provide stock broking services and distribution of financial products. The Company was admitted as a member of the equity, futures & options and currency derivatives segment on May 2, 2013 by the National Stock Exchange (NSE) and the equity segment on June 11, 2013 by the Bombay Stock Exchange (BSE). The Company has received approval from the Securities & Exchange Board of India on July 8, 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 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 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.

The consolidated financial statement includes the results of YES Securities (India) Limited in addition to the Bank.

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

For the year ended March 31, 2015 commission on guarantees issued by the Group is recognized as income over the period of the guarantee. Till March 31, 2014 the Group had amortized commission earned on yearly basis at each anniversary over the period of the guarantee. Had the Group followed the earlier method of amortization of guarantee commission the profit after tax for the current year would have been higher by ₹ 186,922 thousands.

Schedules forming part of the Consolidated Profit and Loss Account

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. Interest on non-performing assets is recognized upon realization as per the prudential norms of the RBI.
- Revenue in certain structured transactions where interest income is partially receivable in advance is recognized when due.
- Loan processing fee is accounted for upfront 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 tenure 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.
- Income from Brokerage activities is recognized as per contracted rate on execution of transaction on behalf of the customers on the trade date and is net off related sub brokerage expenses, service tax and stock exchange expenses. Interest income from treasury activities is recognized based on accrual basis.

18.5.3 Investments

Classification and valuation of the Group's investments are carried out in accordance with RBI Circular DBOD. No.BP.BC.20/21.04.141/2014-15 dated July 1, 2014 and Fixed Income Money Market and Derivative Association (FIMMDA) guidelines.

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.

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 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.

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. 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.

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 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.

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 book 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

Schedules forming part of the Consolidated Profit and Loss Account

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 as per Stock Exchange quotations. 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.

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. DBOD.No.BP.BC.20/21.04.141/2014-15 dated July 1, 2014. 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.

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

Advances are classified as performing and non-performing based on the relevant RBI guidelines. Advances are stated net of specific loan loss provisions, interest in suspense, inter-bank participation certificates issued and bills rediscounted. Specific loan loss 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.

As per the RBI guidelines a general provision is made on all standard advances based on the category of advances as prescribed in the said guidelines. The Group also maintains additional general provisions on standard exposure based on the internal credit rating matrix. These provisions are included in Schedule 5 - 'Other liabilities & provisions - Others'.

In respect of restructured standard and non performing advances, provision is made for the present value of principal and interest component sacrificed at the time of restructuring the assets, based on the RBI guidelines.

Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are recognized in the profit and loss account.

18.5.5 Transactions involving foreign exchange

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.

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.

Income and expenditure in foreign currency are accounted for at exchange rates prevalent on the date of the transaction.

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.

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 periodic basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

The Group follows the option premium accounting framework prescribed by FEDAI SPL- circular dated Dec 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.

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.

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.

18.5.9 Depreciation

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV.

Schedules forming part of the Consolidated Profit and Loss Account

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

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	Rates of depreciation per annum
Office equipment	20.00%
Computer hardware	33.33%
Computer software	25.00%
Vehicles	20.00%
Furniture and Fixtures	10.00%
Leasehold improvements to premises	Over the lease period or 9 years whichever is less.

Assets costing less than ₹ 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.

The Group has changed the depreciation rates for Office Equipment from 16.21% to 20% and Furniture and Fixtures from 6.33% to 10% in line with Schedule II to the Companies Act, 2013. Till March 31, 2014 the Group had followed depreciation rate as prescribed in Schedule XIV of the Companies Act 1956 for Office Equipments and Furniture and Fixtures. Had the Group followed the earlier depreciation rates the profit after tax would have been higher by ₹ 51,054 thousands.

18.5.10 Retirement and employee benefits

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 has computed the compensated absence provision as per revised AS 15 – Employee Benefits.

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 Group recognizes the actuarial gains and losses during the year in which the same are incurred.

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.

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.

18.5.12 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating

loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws,all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

18.5.13 Provisions and contingent assets/liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events 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 Company does not recognize a contingent liability but discloses its existence in the financial statements

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 Employee Stock Compensation Cost

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.

18.5.15 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.

18.6 Equity Issue

During the Financial Year 2014-15, the Group has issued 53,492,272 equity shares of ₹ 10 each for cash pursuant to a Qualified Institutions Placement (QIP) at ₹ 550 aggregating to ₹ 29,420,750 thousands. The Group accreted ₹ 28,713,354 thousands (net of share issue expenses of ₹ 172,473 thousands) as premium on the QIP. The Group also issued 3,610,200 shares pursuant to the exercise of stock option aggregating to ₹ 808,240 thousands.

During the financial year ended March 31, 2014, the Group has issued 2,011,337 shares pursuant to the exercise of stock option aggregating to ₹ 359,622 thousands.

Schedules forming part of the Consolidated Profit and Loss Account

18.7 Income Taxes

Provisions made for Income Tax during the year

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Current income tax expense	10,108,565	7,784,118
Deferred income tax benefit	(1,060,752)	(698,476)
TOTAL	**9,047,813**	**7,085,642**

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, 2015 and March 31, 2014:

Changes in present value of Obligations

(₹ in thousands)

	As at March 31, 2015	As at March 31, 2014
Present Value of Obligation at the beginning of the year	316,019	264,117
Interest Cost	27,473	19,997
Current Service Cost	153,497	106,741
Past Service Cost	-	-
Benefits Paid	(16,784)	(17,424)
Actuarial (gain)/loss on Obligation	(17,406)	(57,412)
Present Value of Obligation at the end of the year	462,799	316,019

Changes in the fair value of planned assets:

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Fair value of plan assets at the beginning of the year	168,394	32,304
Adjustment to Opening Balance	1,557	83
Expected return on plan assets	23,269	9,127
Contributions	180,000	150,000
Benefits paid	(16,784)	(17,424)
Actuarial gain/(loss) on planned assets	(2,487)	(5,696)
Fair value of planned assets at the end of the period	353,949	168,394

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, 2015 and March 31, 2014 comprises the following components:

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Current Service Cost	153,497	106,741
Interest Cost	27,473	19,997
Expected Return on plan assets	(23,269)	(9,127)
Net Actuarial gain recognized in the year	(14,919)	(51,716)
Past Service Cost	-	-
Expenses recognized	142,782	65,895

Experience History:

(₹ in thousands)

	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	33,859	(62,747)	11,805
Experience (Gain)/Loss on obligation	(51,264)	5,335	(31,406)
Actuarial Gain/(Loss) on planned assets	(2,487)	(5,696)	(2,403)

The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2015	For the year ended March 31, 2014
Discount Rate	7.89%	8.93%
Expected Return on Plan Assets	9.25%	9.25%
Mortality	IALM (2006-08) Ult	L.I.C. (1994-96) Ultimate Table
Future Salary Increases	12%	12%
Disability	-	-
Attrition	13% - 25%	13% - 25%
Retirement	60 yrs	60 yrs

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset / liability

(₹ in thousands)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Present Value of Obligation at the end of the year	462,799	316,019
Fair value of planned assets at the end of the period	353,949	168,394
Plan asset / (liability)	(108,850)	(147,625)

Schedules forming part of the Consolidated Profit and Loss Account

The Group is yet to determine future contribution to Gratuity fund for Financial Year 2015-16

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 mobilization from other banks and financial institutions.
- **Corporate / Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2015 are set out below:

(₹ in thousands)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	32,602,890	89,844,659	8,668,016	682,329	131,797,894
Add: Inter-segment					4,402,816
Revenue net of inter- segment					136,200,710
Result	20,772,106	24,627,439	(1,687,960)	419,504	**44,131,089**
Unallocated Expenses					(15,109,048)
Operating Profit					29,022,041
Income Taxes					9,047,814
Extra-ordinary Profit/(Loss)					-
Net Profit					**19,974,227**
Other Information:					
Segment assets	576,465,331	680,594,770	94,320,236	48,064	1,351,428,401
Unallocated assets					10,001,341
Total assets					**1,361,429,742**
Segment liabilities	243,849,230	621,836,512	293,000,659	3,408,113	1,162,094,514
Unallocated liabilities					199,335,228
Total liabilities					**1,361,429,742**

Segmental results for the year ended March 31, 2014 are set out below:

(₹ in thousands)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	33,839,160	73,052,009	5,650,572	444,249	112,985,990
Add/ (Less): Inter-segment					3,974,802
Revenue net of inter- segment					116,960,792
Result	14,877,394	21,684,624	(638,171)	195,259	**36,119,106**
Unallocated Expenses					(12,920,877)
Operating Profit					23,198,229
Income Taxes					7,085,642
Extra-ordinary Profit/(Loss)					-
Net Profit					**16,112,587**
Other Information:					
Segment assets	512,444,049	516,735,234	52,459,440	28,247	1,081,666,970
Unallocated assets					8,380,714
Total assets					**1,090,047,684**
Segment liabilities	232,245,520	506,354,529	197,129,929	3,804,822	939,534,800
Unallocated liabilities					150,512,884
Total liabilities					**1,090,047,684**

Notes for segment reporting:

1. *The business of the Group is concentrated in India. Accordingly, geographical segment results have not been reported.*
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. *Fixed assets and related depreciation on fixed assets, non treasury related bank balances at branches, Bills payable, Tax related accounts, Tier II instruments, IPDI instruments and relevant interest and rent expenses which cannot be allocated to any segments have been classified as unallocated. The unallocated liabilities include Share Capital and Reserves and Surplus.*
5. *Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.*

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", prescribed by 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, 2015 are disclosed below:

Individuals having significant influence:

- Mr. Rana Kapoor, Managing Director & CEO

Key Management Personnel ('KMP') (Wholetime Director)

- Mr. Rana Kapoor, Managing Director & CEO

Schedules forming part of the Consolidated Profit and Loss Account

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, 2015:

(₹ in thousands)

Items / Related Party Category	Wholetime directors / individual having significant influence	Maximum Balance during the year	Relatives of Wholetime directors / individual having significant influence	Maximum Balance during the year
Deposits	#	#	7,558*	64,132
Interest paid	#		2,340	
Receiving of services	#		-	
Dividend paid	#		-	

** Represents outstanding as of March 31, 2015*

 # In Financial Year 2014-15, 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".

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, 2014 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, 2014:

(₹ in thousands)

Items / Related Party Category	Wholetime directors / individual having significant influence	Maximum Balance during the year	Relatives of Wholetime directors / individual having significant influence	Maximum Balance during the year
Deposits	#	#	4,061*	69,636
Interest paid	#		5,216	
Receiving of services	#			
Dividend paid	#		-	

** Represents outstanding as of March 31, 2014*

 # In Financial Year 2013-14 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, 2015 was ₹ 2,216,092 thousands (Previous year: ₹ 1,984,428 thousands).

As at March 31, 2015 and March 31, 2014 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 thousands)

Lease obligations	As at March 31, 2015	As at March 31, 2014
Not later than one year	1,993,731	1,854,078
Later than one year and not later than five years	6,736,572	7,622,407
Later than five years	5,427,271	3,332,577
TOTAL	**14,157,574**	**12,809,062**

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.

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, 2015	Year ended March 31, 2014
Basic (annualised)		
Weighted average no. of equity shares outstanding	406,424,796	360,162,478
Net profit / (loss) (₹ '000)	19,974,227	16,112,587
Basic earnings per share (₹)	49.15	44.74
Diluted (annualised)		
Weighted average no. of equity shares outstanding	417,699,861	364,763,008
Net profit / (loss) (₹' 000)	19,974,227	16,112,587
Diluted earnings per share (₹)	47.82	44.17
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 Board Remuneration Committee and the Board of Directors and were also approved by the members of the Group. All these schemes are administered by the Board Remuneration Committee.

Schedules forming part of the Consolidated Profit and Loss Account

JSOP I was for employees joining the Group on or before March 31, 2005. All the grants under JSOP I were made before the IPO of the Group. 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 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.

A summary of the status of the Group's stock option plans as on March 31, 2015 and March 31, 2014 is set out below:

	As at March 31, 2015		As at March 31, 2014	
	PESOP	JESOP	PESOP	JESOP
Options outstanding, beginning of year	14,538,600	5,931,438	13,255,450	6,394,155
Granted during the year	2,306,000	575,900	3,377,250	1,020,600
Exercised during the year	1,969,700	1,640,500	1,249,100	762,237
Forfeited / lapsed during the year	425,400	336,550	845,000	721,080
Options outstanding, end of year	14,449,500	4,530,288	14,538,600	5,931,438
Options exercisable	2,850,350	956,288	2,973,700	1,561,538
Weighted average exercise price (₹)	228.11	218.79	182.17	173.16
Weighted average remaining contractual life of outstanding option (yrs)	2.07	1.74	2.35	1.86

The Group has charged Nil, being the intrinsic value of the stock options granted for the year ended March 31, 2015 and March 31, 2014. 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 ₹ 353,234 thousands (Previous year: ₹ 341,904 thousands), the basic earnings per share would have been ₹ 48.28 (Previous year: ₹ 43.79) per share instead of ₹ 49.15 (Previous year: ₹ 44.74) per share and diluted earnings per share would have been ₹ 46.98 (Previous year: ₹ 43.24) per share instead of ₹ 47.82 (Previous year: ₹ 44.17) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2015 and March 31, 2014.

	For the year March 31, 2015	For the year March 31, 2014
Risk free interest rate	8.10%-9.23%	7.67%-9.11%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	31.06%-48.72%	25.01%-45.24%
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 ₹ 3,553,450 thousands as at March 31, 2015 and ₹ 2,492,698 thousands as at March 31, 2014, is included under other assets and the corresponding credits have been taken to the profit and loss account.

The components that give rise to the deferred tax asset and liability included in the balance sheet are as follows:

(₹ in thousands)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax asset		
Depreciation	233,379	173,554
Provision for gratuity and unutilized leave	116,036	105,193
Provision for Non Performing Assets	6,714	6,714
Amortization of premium on HTM securities	438,785	380,917
Provision for standard advances	2,177,244	1,347,778
Other Provisions	582,959	479,429
Preliminary expenses u/s 35D of Income Tax Act	156	207
Total Deferred tax asset	**3,555,273**	**2,493,792**
Deferred Tax Liability		
Depreciation and amortization	1,823	1,094
Total Deferred Tax Liability	**1,823**	**1,094**
Total Net Deferred Tax Asset/ (Liability)	**3,553,450**	**2,492,698**

18.15 Provisions and Contingencies

The breakup of provisions of the Group for the year ended March 31, 2015 and March 31, 2014 are given below:

(₹ in thousands)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Provision for taxation	9,047,813	7,085,642
Provision for investments	(584,289)	860,079
Provision for standard advances	2,440,324	1,278,978
Provision made/write off for non performing advances	1,300,099	1,358,169
Others Provisions*	238,650	119,615
TOTAL	**12,442,597**	**10,702,483**

** 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 and Small Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of information and records available with the management and confirmation sought by the management from suppliers on their registration with the specified authority under the said Act, there have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

Schedules forming part of the Consolidated Profit and Loss Account

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.

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 favourable or unfavourable 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 - Foreign Exchange Contracts (Tom & Spot)

18.19 Fixed Assets

A summary of the movement in software of the group is given below:

(₹ in thousands)

Particulars	As at March 31, 2015	As at March 31, 2014
Cost at March 31 of preceding year	994,976	766,870
Additions during the year	203,373	228,105
Deductions during the year	-	-
Depreciation to date	823,652	643,293
Net block	**374,697**	**351,682**

18.20 Prior period comparatives

Previous period's figures have been regrouped where necessary to conform to current year classification.

For S. R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E

per **Viren H. Mehta**
Partner
Membership No: 048749

Mumbai
April 22, 2015

For and on behalf of the Board of Directors
YES BANK Limited

Rana Kapoor
Managing Director & CEO
(DIN : 00320702)

Radha Singh
Non Executive Chairperson
(DIN : 02227854)

M R Srinivasan
Director
(DIN : 00056617)

Mukesh Sabharwal
Director
(DIN 05155598)

Rajat Monga
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

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	Sl. 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	350,000
6	Reserves & surplus	(144,600)
7	**Total assets**	**255,584**
8	**Total Liabilities**	**255,584**
9	Investments	Nil
10	Turnover	37,796
11	Profit / (Loss) before taxation	(79,039)
12	Provision for taxation	348
13	Profit / (Loss) before taxation	(79,387)
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 DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 1, 2014, Banks are required to make Pillar 3 disclosures under Basel III capital requirements. The Bank has made these disclosures which are available on its website at the following link.

http://www.yesbank.in/images/all_pdf/Basel_III_Disclosure_March_31_2015.pdf

Notes

Notes

Branch Locations

PUNJAB (55)

Adampur, Ajnala, Amritsar (2), Banga, Banur, Barnala, Begowal, Bhatinda, Bishanpura, Dasuya, Derabassi, Dhuri, Firozpur, Goraya, Gurdaspur, Hoshiarpur, Jalandhar (3), Jandiala, Kapurthala, Kartarpur, Khanna, Kharar (2), Kurali, Lohian Khas, Ludhiana (5), Mahilpur, Mandi Gobindgarh, Moga, Mohali (2), Morinda, Mukerian, Muktsar, Nakodar, Nangal, Nawanshahr, Nurmahal, Pathankot, Patiala, Phullanwala, Rajpura, Rayya, Rupnagar (Ropar), Sahnewal, Sohana, Sultanpur Lodhi, Urmar Tanda, Zirakpur (2)

HARYANA (15)

Ambala Cantt, Cheeka, Dhand, Fatehabad, Jind, Kaithal, Kalka, Karnal, Narwana, Panchkula (2), Pinjore, Safidon, Tohana, Yamuna Nagar

Mumbai Metropolitan Region (62)

Adampur, Ajnala, Amritsar (2), Banga, Banur, Barnala, Begowal, Bhatinda, Bishanpura, Dasuya, Derabassi, Dhuri, Firozpur, Goraya, Gurdaspur, Hoshiarpur, Jalandhar (3), Jandiala, Kapurthala, Kartarpur, Khanna, Kharar (2), Kurali, Lohian Khas, Ludhiana (5), Mahilpur, Mandi Gobindgarh, Moga, Mohali (2), Morinda, Mukerian, Muktsar, Nakodar, Nangal, Nawanshahr, Nurmahal, Pathankot, Patiala, Phullanwala, Rajpura, Rayya, Rupnagar (Ropar), Sahnewal, Sohana, Sultanpur Lodhi, Urmar Tanda, Zirakpur (2)

GOA (7)

Calangute, Curchorem, Margao, Mapusa, Panjim, Ponda, Varca

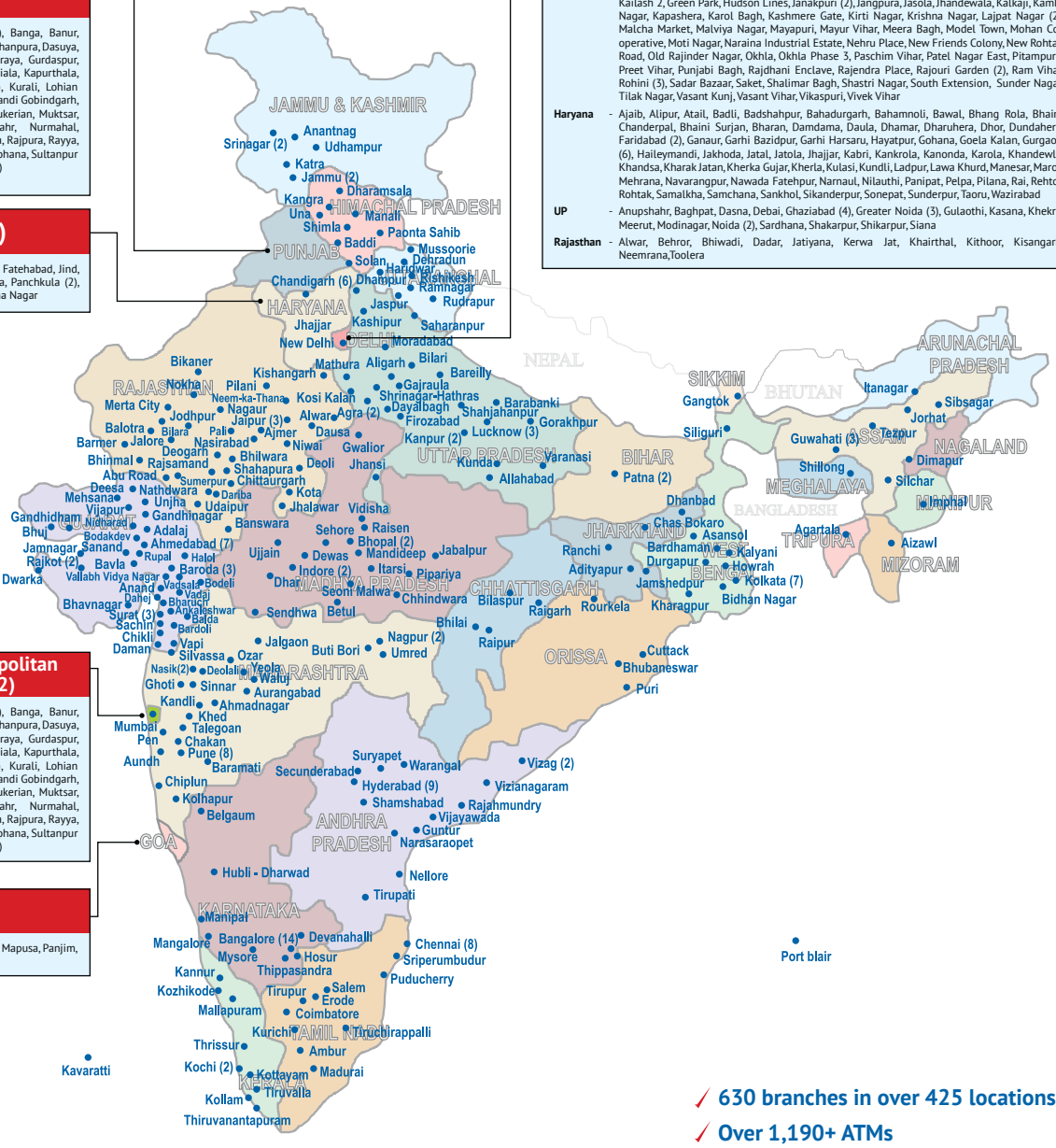
NCR (159)

New Delhi - Ashok Vihar, Bhikaji Cama Place, Chandni Chowk, Chattarpur, Chawri Bazar, Connaught Place (2), Darya Ganj, Dwarka - Delhi (3), East of Kailash, Gole Market, Greater Kailash 1, Greater Kailash 2, Green Park, Hudson Lines, Janakpuri (2), Jangpura, Jasola, Jhandewala, Kalkaji, Kamla Nagar, Kapashera, Karol Bagh, Kashmere Gate, Kirti Nagar, Krishna Nagar, Lajpat Nagar (2), Malcha Market, Malviya Nagar, Mayapuri, Mayur Vihar, Meera Bagh, Model Town, Mohan Co-operative, Moti Nagar, Naraina Industrial Estate, Nehru Place, New Friends Colony, New Rohtak Road, Old Rajinder Nagar, Okhla, Okhla Phase 3, Paschim Vihar, Patel Nagar East, Pitampura, Preet Vihar, Punjabi Bagh, Rajdhani Enclave, Rajendra Place, Rajouri Garden (2), Ram Vihar, Rohini (3), Sadar Bazaar, Saket, Shalimar Bagh, Shastri Nagar, South Extension, Sunder Nagar, Tilak Nagar, Vasant Kunj, Vasant Vihar, Vikaspuri, Vivek Vihar

Haryana - Ajaib, Alipur, Atail, Badli, Badshahpur, Bahadurgarh, Bahamnoli, Bawal, Bhang Rola, Bhaini Chanderpal, Bhaini Surjan, Bharan, Damdama, Daula, Dhamar, Dharuhera, Dhor, Dundahera, Faridabad (2), Ganaur, Garhi Bazidpur, Garhi Harsaru, Hayatpur, Gohana, Goela Kalan, Gurgaon (6), Haileymandi, Jakhoda, Jatal, Jatola, Jhajjar, Kabri, Kankrola, Kanonda, Karola, Khandewla, Khandsa, Kharak Jatan, Kherka Gujar, Kherla, Kulasi, Kundli, Ladpur, Lawa Khurd, Manesar, Marot, Mehrana, Navarangpur, Nawada Fatehpur, Narnaul, Nilauthi, Panipat, Pelpa, Pilana, Rai, Rehtoj, Rohtak, Samalkha, Samchana, Sankhol, Sikanderpur, Sonepat, Sunderpur, Taoru, Wazirabad

UP - Anupshahr, Baghpat, Dasna, Debai, Ghaziabad (4), Greater Noida (3), Gulaothi, Kasana, Khekra, Meerut, Modinagar, Noida (2), Sardhana, Shakarpur, Shikarpur, Siana

Rajasthan - Alwar, Behror, Bhiwadi, Dadar, Jatiyana, Kerwa Jat, Khairthal, Kithoor, Kisangarh, Neemrana,Toolera



✓ 630 branches in over 425 locations

✓ Over 1,190+ ATMs

YES BANK Branch Network - 630 branches in over 425 locations

NORTH : AAdampur, Agra (2), Ajaib, Ajnala, Aligarh, Allahabad, Alipur, Alwar, Ambala Cantt, Amritsar (2), Anantnag, Anupshahr, Atail, Baddi, Badli, Badshahpur, Bahamnoli, Baghpat, Bahadurgarh, Banga, Banur, Bara Banki, Bareilly, Barnala, Bawal, Begowal, Behror, Bhaini Chanderpal, Bhaini Surjan, BhangRola, Bharan, Bhatinda, Bhiwadi, Bilari, Bishanpura, Chandigarh (6), Chawri Bazar, Cheeka, Damdama, Dadar, Daula, Dasna, Dasuya, Dayalbagh, Debai, Dehradun, Derabassi, Dhamar, Dhampur, Dhand, Dharamsala, Dharuhera, Dhor, Dhuri, Dundahera, Faridabad, Fatehabad, Firozabad (2), Firozpur, Gajraula, Ganaur, Garhi Bazidpur, Garhi Harsaru, Ghaziabad (4), Goela Kalan, Gohana, Gorakhpur, Goraya, Greater Noida, Gulaothi, Gurdaspur, Gurgaon (7), Haileymandi, Haridwar, Hayatpur, Hoshiarpur, Jakhoda, Jalandhar (3), Jammu (2), Jandiala, Jaspur, Jatal, Jatiyana, Jatola, Jhajjar, Jhansi, Jind, Kabri, Kaithal, Kalka, Kangra, Kankrola, Kanonda, Kanpur (2), Kapurthala, Karnal, Karola, Kartarpur, Kasana, Kashipur, Katra, Kerwa Jat, Khairthal, Khandewla, Khandsa, Khanna, Kharak Jatan, Kharar (2), Khekra, Kherka Gujar, Kherla, Kisangarh, Kithoor, Kosi Kalan, Kulasi, Kunda, Kundli, Kurali, Ladpur, Lawa Khurd, Lohian Khas, Lucknow (3), Ludhiana (5), Mahilpur, Manali, Mandi Gobindgarh, Manesar, Marot, Mathura, Mayur Vihar, Mehrana, Meerut, Modinagar, Moga, Mohali (2), Moradabad, Morinda, Mukerian, Muktsar, Mussoorie, Nakodar, Nangal, Narnaul, Narwana, Navarangpur, Nawada Fatehpur, Nawanshahr, Neemrana, New Delhi (70), Nilauthi, Noida (3), Nurmahal, Panchkula (2), Panipat, Paonta Sahib, Pathankot, Patiala, Pelpa, Phullanwala, Pilana, Pinjore, Rai, Rajdhani Enclave, Rajpura, Ramnagar, Rayya, Rehtoj, Rishikesh, Rohtak, Rudrapur, Rupnagar (Ropar), Safidon, Saharanpur, Sahnewal, Samalkha, Samchana, Sankhol, Sardhana, Shahjahanpur, Shakarpur, Shikarpur, Shimla, Shrinagar (Hathras), Siana, Sikanderpur, Sohana, Solan, Sonepat, Srinagar (2), Sultanpur Lodhi, Sunderpur, Taoru, Tohana, Toolera, Udhampur, Una, Urmar Tanda, Varanasi, Wazirabad, Yamuna Nagar, Zirakpur (2)

WEST : Abu Road, Adalaj, Ahmadnagar, Ahmedabad (7), Ajmer, Anand, Anklesh war, Aurangabad, Balda, Balotra, Banswara, Baramati, Bardoli, Barmer, Baroda (3), Bavla, Belavli, Betul, Bharuch, Bhavnagar, Bhopal (2), Bhorwadi, Bhilwara, Bhinmal, Bhomnagar, Bhopal, Bhuj, Bilara, Bikaner, Bodakdev, Bodeli, Butibori, Calangute, Chakan, Chhindwara, Chikhli, Chimbhali, Chiplun, Chittaurgarh, Curchorem, Dahej, Daman, Dausa, Dariba, Deesa (M), Deogarh, Deolali, Deoli, Dewas, Dhar, Dwarka, Gandhinagar, Gandhidham, Gwalior, Halol, Igatpuri, Indore (2), Itrasi, Jabalpur, Jaipur (3), Jalgaon, Jalor, Jamnagar, Jhalawar, Jodhpur, Kandli, Kolhapur, Kota, Kundewahal, Mandideep, Mapusa, Mehsana, Margao, Merta City, Mumbai Metropolitan Region (62), Nagaur, Nagpur (2), Nashik (2), Nasirabad, Nathdwara, Neem-Ka-Thana, Nidhrad, Niwai, Nokha, Owle, Ozar, Padra, Pali, Panjim, Pen, Pilani, Pipariya, Ponda, Por, Pune (8), Raisen, Rajgurunagar (Khed), Rajkot (2), Rajsamand, Roha, Rupal, Sachin, Sanand, Sehore, Seoni Malwa, Sendhwa, Shahpura, Shirdone, Sihorli, Silvassa, Sinnar, Sumerpur, Surat (3), Udaipur, Ujjain, Umred, Unjha, Vadaj, Vadsala, Vallabh Vidyanagar, Vapi, Varca, Vidisha, Vijapur, Waluj, Warulwadi, Yeola

SOUTH : Ambur, Bangalore (14), Belgaum, Chennai (8), Coimbatore, Devanahalli, Erode, Guntur, Hosur, Hubli -Dharwad, Hyderabad (9), Kannur, Kavaratti, Kochi (2), Kollam, Kottayam, Kozhikode, Kurichi, Madurai, Malapuram, Manipal, Mangalore, Mysore, Narasaraopet, Nellore, Puducherry, Rajahmundry, Salem, Shamshabad, Sriperumbudur, Suryapet, Thiruvanantapuram, Thrissur, Tiruchirappalli, Tiruppur, Tirupati, Tiruvalla, Vijayawada, Vizag (2), Vizianagaram, Warangal

EAST : Adityapur, Agartala, Aizwal, Asansol, Bardhaman, Bhubhaneshwar, Bidhan Nagar, Bilaspur, Chas - Bokaro, Cuttack, Dhanbad, Dimapur, Durg Bhilai, Durgapur, Gangtok, Guwahati (3), Howrah, Imphal, Itanagar, Jamshedpur, Jorhat, Kalyani, Kharagpur, Kolkata (7), Patna (2), Port Blair, Puri, Raipur, Raigarh, Ranchi, Rourkela, Shillong, Sibsagar, Silchar, Siliguri, Tezpur

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630+ Branches Pan India | 1,190+ ATMs | 11,000+ YES BANKers

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concept, content and design at aicl (info@aicl.in)