May 16, 2018

Mr. Khushro A. Bulsara –
Senior General Manager
Listing Compliance & Legal Regulatory
BSE Limited
P.J. Towers, Dalal Street
Mumbai – 400 001
BSE Scrip Code: 532648

Mr. Avinash Kharkar,
AVP – Listing Department
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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')– Submission of Notice of Annual General Meeting and E-voting related Matters including the date of AGM & Book closure for dividend

In continuation to our letter dated April 26, 2018, we wish to inform you that the Fourteenth Annual General Meeting ('**AGM**') of YES BANK Limited (the '**Bank**') will be held on **Tuesday, June 12, 2018** at **11:00 A.M.**, at Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr A. B. Road, Worli, Mumbai – 400 018. We hereby submit a copy of the Notice of 14th AGM, Annual Report of the Bank for FY 2017-18 and other relevant documents. These documents are also available on the website of the Bank at the link given below:
https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports

The Register of Members and the Share Transfer Books of the Bank will remain closed **from Wednesday, June 06, 2018 to Tuesday, June 12, 2018 (both days inclusive)** for the purpose of the AGM of the Bank and for determining the entitlement for dividend, if declared, for the year ended March 31, 2018. Dividend for FY 2017-18, if declared by the Members at the AGM, will be paid to the Members of the Bank from June 13, 2018 onwards.

In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI LODR, the Bank is providing the facility to its Members (holding shares in physical or dematerialized form) to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice for the 14th AGM of the Bank as mentioned above (**Remote e-voting**). The Bank is also offering the facility to the Members to cast their vote electronically (**Insta Poll**) at the AGM. Accordingly, the Bank has fixed **Tuesday, June 05, 2018** as cut-off date for determining the eligibility of the Members to vote either through remote e-voting or voting at the AGM.

YES BANK LTD. MUMBAI

In terms of Regulation 46 of SEBI LODR, this information is also being hosted on the Bank's website www.yesbank.in

We request you to take the above information in record.

Thanking you,

Yours faithfully,
For **YES BANK LIMITED**`

Shivanand R. Shettigar
Company Secretary

Cc:

1. National Securities Depository Limited
Trade Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013

2.Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

YES BANK LIMITED

CIN: L65190MH2003PLC143249
Registered Office: 9th Floor, Nehru Center, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India.
Tel.: +91 (22) 3366 9000 Fax: +91 (22) 2490 0314 Website: www.yesbank.in Email: shareholders@yesbank.in

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of **YES BANK LIMITED** (the **'Bank'**) will be held on Tuesday, June 12, 2018 at 11.00 A.M., at Hall of Culture, Ground Floor, Nehru Center, Discovery of India, Dr. A. B. Road, 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, 2018 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, 2018 and the Report of the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a director in place of Mr. Ajai Kumar (DIN: 02446976), who retires by rotation and being eligible, offers himself for re-appointment.

4. To ratify the appointment of 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 Sections 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 pursuant to the resolution passed by the Members at the Twelfth Annual General Meeting held on June 07, 2016 appointing M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors of the Bank to hold office for four (4) years from the conclusion of the Twelfth Annual General Meeting till the conclusion of the Sixteenth Annual General Meeting, the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as Statutory Auditors of the Bank, to hold office from the conclusion of this AGM till the conclusion of Fifteenth AGM of the Bank, be and is hereby ratified by the Members of the Bank, subject to approval from Reserve Bank of India and such other regulatory authorities, as may be applicable, on such remuneration as shall be decided by the Board of Directors or any Committee thereof in addition to payment of any out of pocket expenses and indirect taxes at the applicable rates, as may be incurred by Auditors during the course of the Audit."

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 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the **'Act'**) 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 or any other applicable laws, and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Bank, Mr. Subhash Chander Kalia (DIN: 00075644), who was appointed as an Additional Director pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office upto the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of director, be and is hereby appointed as

a Non-Executive Non-Independent Director of the Bank, 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, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the **'Act'**) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Bank, Mr. Rentala Chandrashekhar (DIN: 01312412), who was appointed as an Additional Director pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office upto the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Bank for a period of five (5) years from the date of this meeting, 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 Sections 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the **'Act'**) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and basis the recommendation of Nomination & Remuneration Committee and the Board of Directors of the Bank, Dr. Pramita Sheorey (DIN: 08120130), who was appointed as an Additional Director pursuant to the provisions of Section 161 and other applicable provisions of the Act to hold Office upto the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing under Section 160 of the Act, proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Bank for a period of five (5) years from the date of this meeting, not liable to retire by rotation."

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 (the **'Act'**) 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)*, the rules, circulars and guidelines issued by the Reserve Bank of India (**'RBI'**) from time to time, the provisions of the Articles of Association (**'AoA'**) of the Bank and subject to the approval of RBI, Mr. Rana Kapoor (DIN: 00320702), be and is hereby re-appointed as the Managing Director and CEO (**'MD & CEO'**) of the Bank for a period of three (3) years commencing from September 01, 2018.

RESOLVED FURTHER THAT the Members do hereby take note that Mr. Rana Kapoor, MD & CEO is currently being paid the remuneration as under, along with bonus and perquisites as approved by Shareholders and RBI:

Particulars	(Amt. in ₹ per annum)
Basic Salary	2,26,45,164
Dearness allowances	1,05,43,661
Other allowances	39,93,674
Total	**3,71,82,499**

RESOLVED FURTHER THAT subject to the provisions of Section 197, Schedule V of the Act 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 thereof for the time being in force),* the provisions of the AoA 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), MD & CEO, from the financial year beginning April 01, 2018 with a maximum increase up to 20% over the remuneration of preceding year, i.e. 2017-2018 and with an annual increment of up to a maximum of 20% for every subsequent financial year thereafter during the currency of his proposed extended term of three (3) years.

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

RESOLVED FURTHER THAT Mr. Rana Kapoor, MD & CEO, shall also 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 cars and telephone at residence or reimbursement of expenses in lieu thereof; residence telephones, 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 approval(s).

RESOLVED FURTHER THAT the Board of Directors 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, 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 in supersession of the resolution passed by the Members of the Bank on June 06, 2017 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 *(hereinafter referred to as the* ***'Board'*** *which term shall be deemed to include any Committee thereof or any other person(s) for the time being exercising the powers conferred on the Board by this Resolution and as may be authorized by the Board in that behalf)* to borrow such sums 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 bankers of the Bank in the ordinary course of business but does not include loans raised for the purpose of financial expenditure of a capital nature)* may exceed the aggregate of the paid-up share capital of the Bank, its free reserves and securities premium, and determine, fix, arrange or agree to the terms and conditions of all such monies borrowed/ to be borrowed whether in Indian or any other equivalent foreign currency from time to time, **provided that the total amount so borrowed by the Board and outstanding at any time shall not exceed the sum of ₹1,10,000 Crore (Rupees One Hundred Ten Thousand Crore 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."

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 and other applicable provisions, if any, of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Rule 18 and other applicable provisions, if any, of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Banking Regulation Act,

1949 *(including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force),* the rules, circulars and guidelines issued by Reserve Bank of India (**'RBI'**), from time to time 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), **approval of the Members of the Bank be and is hereby accorded** to the Board of Directors of the Bank *(hereinafter referred to as the* ***'Board'*** *which term shall be deemed to include any Committee thereof or any other person(s) for the time being exercising the powers conferred on the Board by this Resolution and as may be authorized by the Board in that behalf)* **for borrowing/raising funds in Indian /foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium-Term Notes), bonds** *(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 securities as may be permitted by RBI from time to time and including securities to be issued from its offshore branches and/or the IBU situated at the GIFT City IFSC in accordance with applicable regulations issued by RBI from time to time)* **upto ₹30,000 Crore (Rupees Thirty Thousand Crore 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 or otherwise 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 be and is hereby authorized to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents, etc., with such agencies, to seek the listing of debt securities on one or more recognized stock exchange(s) as may be required.

RESOLVED FURTHER THAT the Board, be and is 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."

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

"RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Issue of Global Depository Receipts) Rules, 2014 and other applicable rules made thereunder (the **'Act'**), the Banking Regulation Act, 1949 *(including any statutory amendment(s) or modification(s) or variation(s) or re-enactment(s) thereof, for the time being in force),* the Foreign Exchange Management Act, 1999, as amended and Rules and Regulations framed thereunder as in force 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **'Listing Regulations'**) and in accordance with the provisions of the Memorandum and Articles of Association of the Bank and subject to approvals, consents, permissions and/or 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 ₹2 each (Rupees Two) 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 10% of the then issued and subscribed equity share capital 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 Merchant Bankers (including but not limited to Book Running Lead Managers and/or Stabilizing Agent) and/or Underwriters 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 floor price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in the event that Equity Shares are issued by way of a Qualified Institutional Placement 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.

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, as amended (the **'2014 Scheme'**), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 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 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, 2017, as amended), the applicable provisions of the Act, and any other laws, rules, regulations, guidelines, notifications, clarifications and circulars issued from time to time by the Government of India (and 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 protanto; (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 reclassification 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 of 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."

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

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (the **'Act'**) and rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the **'SEBI SBEB Regulations'**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the rules, circulars, regulations, guidelines, if any, prescribed by Securities and Exchange Board of India (**'SEBI'**), Reserve Bank of India (**'RBI'**) and all other concerned/ relevant authorities, from time to time, to the extent applicable, the provisions of any other applicable

laws and regulations *(including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force),* the provisions of the Memorandum and Articles of Association of the Bank, and subject to such approval(s), consent(s), permission(s) and sanction(s) of the Government of India, SEBI, RBI and all other appropriate authorities, institutions or bodies, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors *(hereinafter referred to as the* ***'Board'*** *which term shall be deemed to include the Compensation Committee already constituted by the Board of Directors under Section 178 of the Act called as the Nomination & Remuneration Committee, for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors by this resolution and/or such other persons who may be authorized in this regard by the Board of Directors and/or the Nomination & Remuneration Committee),* approval of the Members be and is hereby granted to the Board to grant, offer, issue and allot, in one or more tranches, to such present and future officers and employees (including whole-time directors but excluding Promoters), whether working in India or outside India (collectively **'The Employees'**), as may be decided by the Board, 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options, convertible into 7,50,00,000 (Seven Crore Fifty Lakh) equity shares of the nominal face value not exceeding ₹2 (Rupees Two) per equity share under an employee stock option scheme i.e. **'YBL ESOS - 2018'** (hereinafter referred to **'ESOS'**) on the terms and conditions as set out in the Explanatory Statement to this item in the Notice, at such price and on such other terms and conditions as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT the Board, be and is hereby authorized, without prejudice to the generality of the above, but subject to the terms, as approved by the members, to implement, formulate, evolve, decide upon and bring into effect the ESOS on such terms and conditions as broadly contained in the Explanatory Statement to this item in the Notice and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS, from time to time, including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, performance/ eligibility criteria for grant/ vesting or to suspend, withdraw, terminate or revise the ESOS in such manner as the Board or any other person authorized by the Board may determine.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to framing rules relating to taxation matters arising out of grant/ exercise of stock options and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable in relation thereof, for the purpose of giving effect to the above resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted in accordance with the ESOS on the Stock Exchanges where the securities of the Bank are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot the equity shares upon exercise of options from time to time in accordance with the ESOS and such equity shares shall rank *pari-passu* with all the existing equity shares of the Bank for all purposes.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, 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, and with the power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in relation to the implementation of the ESOS and to the shares (including to amend or modify any of the terms thereof) issued herein without being required to seek any 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 authority of the aforesaid resolutions."

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

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (the **'Act'**) and rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the **'SEBI SBEB Regulations'**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the rules, circulars, regulations, guidelines, if any, prescribed by Securities and Exchange Board of India (**'SEBI'**), Reserve Bank of India (**'RBI'**) and all other concerned/

relevant authorities, from time to time, to the extent applicable, the provisions of any other applicable laws and regulations *(including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force),* the provisions of the Memorandum and Articles of Association of the Bank, and subject to such approval(s), consent(s), permission(s) and sanction(s) of the Government of India, SEBI, RBI and all other appropriate authorities, institutions or bodies, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors *(hereinafter referred to as the* ***'Board'*** *which term shall be deemed to include the Compensation Committee already constituted by the Board of Directors under Section 178 of the Act called as the Nomination & Remuneration Committee, for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors by this resolution and/or such other persons who may be authorized in this regard by the Board of Directors and/or the Nomination & Remuneration Committee),* approval of the Members be and is hereby granted to the Board to extend the benefits of the employee stock option scheme i.e. **'YBL ESOS - 2018'** (hereinafter referred to **'ESOS'**) proposed in the resolution under Item No. 12 of this Notice to the eligible present and future Employees (including whole-time directors but excluding the Promoters) of any of the Subsidiary Companies of the Bank and/or present and future employees of the Bank subsequently transferred/deputed to any of the Subsidiary Companies as identified by the Board from time to time, on such terms and conditions as may be decided by the Board and for the purpose of giving effect to the resolution, the Board be and is hereby authorized to take such steps and actions and give such directions as it may in its absolute discretion deem necessary and settle any question that may arise in this regard."

By Order of the Board of Directors



Place: Mumbai
Date: April 26, 2018

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 duly filled, stamped and signed 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 (the **'Act'**) 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/POA authorising 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 **Wednesday, June 06, 2018** to **Tuesday, June 12, 2018** (both days inclusive).

8. Dividend on Equity shares as recommended by the Board of Directors for the year ended March 31, 2018, 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 **Tuesday, June 05, 2018.**

(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/or its Registrar and Transfer Agents on or before **Tuesday, June 05, 2018.**

9. In order to receive the dividend without loss of time, all the eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participant(s) before June 05, 2018, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, E-Mail ID and Mobile No(s). Shareholders holding shares in physical form may communicate these details to the Registrar and Share Transfer Agents viz. Karvy Computershare Private Limited having address at Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, before June 05, 2018 by quoting the reference folio number and attaching a photocopy of the Cheque leaf of their active Bank account and a self attested copy of their PAN card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the Bank Account electronically. Updation of E-mail IDs and Mobile No(s) will enable sending communication relating to credit of dividend, un-encashed dividend, etc.

10. Members wishing to claim unclaimed dividends are requested to correspond with Karvy Computershare Private Limited or the Company Secretary of the Bank, at the Bank's registered office. Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Bank's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Act and rules made thereunder, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (**'the IEPF Rules'**), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund authority (**'IEPF Authority'**). The Members/claimants whose shares, unclaimed dividend, etc. have been transferred to the IEPF Authority may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 *(available on iepf.gov.in)* as per the procedure prescribed in the IEPF Rules.

The Bank has uploaded the details of unpaid and unclaimed dividend amounts lying with the Bank as on June 06, 2017 (date of last Annual General Meeting) as well as dividend/shares transferred to IEPF on the website of **the Bank** (www.yesbank.in), as also on the website of the Ministry of Corporate Affairs.

11. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled, to Karvy Computershare Private Limited (**'Karvy'**), Registrar and Transfer Agent (**'R&T'**) of the Bank. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

12. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, is enclosed to this Notice.

13. In terms of Section 139(1) of the Companies Act, 2013, every company shall, at the first AGM, appoint an individual or a firm as an Auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth AGM and thereafter till the conclusion of every sixth meeting. Provided that the Company shall place the matter relating to such appointment for ratification by members at every AGM. Further, in terms of RBI Circular dated January 30, 2001 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 continuous period of four years only and thereafter the said firm will be compulsorily rested for two years, which has now been extended to a period of 6 years vide RBI Circular dated July 27, 2017. Accordingly, the Members of the Bank at Twelfth AGM held on June 07, 2016 had approved the appointment of **M/s. B S R & Co. LLP,** Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory

Auditors of the Bank for a period of 4 (four) years from the conclusion of the Twelfth AGM till conclusion of the Sixteenth AGM to be held in the year 2020, subject to ratification of the appointment by the Members at every AGM. The proposal for ratification of appointment of **M/s. B S R & Co. LLP,** Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Bank, to hold office from the conclusion of this AGM till the conclusion of Fifteenth AGM of the Bank, subject to approval of Reserve Bank of India, is placed before the members. The profile of the Statutory Auditors is enclosed to this Notice.

14. 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 AGM.

15. 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. This notice and the Annual Report will also be available on the Bank's website www.yesbank.in for download.

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

17. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report for FY 2017-18 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 Participant(s) 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 the Annual Report for FY 2017-18 and 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.

In support of the Green Initiative, the Bank hereby requests ***Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with Karvy, R&T of the Bank for receiving communications from Bank electronically.*** Further, Members holding shares in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). ***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).***

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN and/or AADHAAR to the Bank/ Karvy.

19. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 **Tuesday, June 05, 2018,** to exercise their right to vote through electronic means from a place other than the venue of the Meeting on any or all of the businesses specified in the accompanying Notice (the **'Remote e-voting'**). The Remote e-voting commences on **Friday, June 08, 2018 at 10:00 A.M.** and ends on **Monday, June 11, 2018 at 5:00 P.M.** Details 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.

20. In terms of the Companies (Management and Administration) Rules, 2014 **with respect to the Voting through electronic means,** the facility for voting through electronic voting system **('Insta Poll')** shall be made available 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 through Remote e-voting, may vote at the AGM through **'Insta Poll'** for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote through 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 **Tuesday, June 05, 2018,** subject to the provisions of the Banking Regulation Act, 1949, as amended. *(Members may note that, in case of any technical failure or eventuality resulting into nonfunctionality of Insta Poll facility at AGM, the Members would be*

provided the ballot paper for casting their votes at the AGM.)

21. The Bank has engaged the services of Karvy Computershare Private Limited as the Agency to provide e-voting facility.

22. The Board of Directors has appointed **Ms. Dipti Mehta, Partner of M/s. Mehta and Mehta, Company Secretaries,** failing her**, Ms. Ashwini Inamdar, Partner of M/s. Mehta and Mehta, Company Secretaries as a Scrutinizer** to scrutinize the voting process in a fair and transparent manner.

23. 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 favor of the Resolutions.

24. The Results of voting declared 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) within 48 hours from the conclusion of the AGM and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited.

25. The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is, it is 'near to Nehru Planetarium'. The Members need to furnish the printed Attendance Slip along with a valid identity proof such as PAN Card, passport, AADHAAR Card or driving license to enter the AGM hall.

26. In our constant endeavor to strengthen the shareholder service standards, a Shareholders Satisfaction Survey is being conducted with the help of Feedback Form to be circulated among the shareholders alongwith 14th AGM Notice. The same is also hosted on the Bank's website at www.yesbank.in under Investors Relations ➔ Annual Report section. Shareholders may tear/download the form and send us the same dully filled-in at Karvy Computershare Private Limited [Unit: **YES BANK Limited**], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Cont.: Ms. Shobha Anand, Deputy General Manager, Contact No. 040-67162222.

Brief Profile of Statutory Auditors

BSR & Co. ('the firm') was constituted on March 27, 1990 having firm registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on October 14, 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra - 400 011.

B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Affiliates include B S R & Associates LLP, B S R & Company, B S R and Co, B S R and Associates, B S R and Company, B S S R & Co and B B S R & Co.

B S R & Co. LLP is registered in Mumbai, Gurgaon, Bengaluru, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi.

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. Subhash Chander Kalia (DIN:00075644), who was appointed as an Additional Director of the Bank w.e.f. April 03, 2018 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the **'Act'**), holds office up to the date of this Annual General Meeting of the Bank or the last date on which the Annual General Meeting should have been held, whichever is earlier and is eligible for appointment. In terms of Section 160 of the Act, the Bank has received a notice in writing from a Member signifying his intention to propose the candidature of Mr. Kalia for the office of Director. Mr. Kalia has furnished consent/ declarations for his appointment as required under the Act and the Rules thereunder.

Mr. Subhash Chander Kalia has a distinguished career in banking industry having more than thirty eight years of experience in Public Sector Banking holding key positions in India and overseas including as Executive Director of Union Bank of India and Vijaya Bank, Chairman of Regional Rural Bank, Pratapgarh, Director of Nainital Bank Limited, Shahjahanpur Kshetriya Gramin Bank Limited and Bareilly Kshetriya Gramin Bank Limited. He was instrumental in setting up Baroda Pioneer Asset Management Company and Baroda L & G Life Insurance Company. Mr. Kalia has significant expertise in Agriculture lending, financial inclusion and Priority Sector Lending.

Prior to his appointment as Additional Director on the Board, he was acting as Senior Strategic Advisor of the Bank since October 2014. The Nomination & Remuneration Committee ('**N&RC**') had assessed the profile of Mr. Kalia and having found him to be 'fit and proper' in terms of Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks, recommended his appointment to the Board of Directors. In terms of Sections 152, 160 and other applicable provisions of the Act, the Board of Directors of the Bank, basis the recommendation of the N&RC, have reviewed the profile of Mr. Kalia and is of opinion that he meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as a Non-Executive Non-Independent Director. Considering his vast expertise and knowledge in the field of Agriculture and Rural economy, Micro & Small Enterprise Finance, Priority Sector Lending and Business Management, it would be in the interest of the Bank that Mr. Kalia is appointed as a Non-Executive Non-Independent Director on the Board of the Bank.

Mr. Subhash Chander Kalia's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, in particular, on account of Mr. Kalia 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).*

Your Directors, therefore, recommend the appointment of Mr. Subhash Chander Kalia (DIN:00075644) as a Director of the Bank, liable to retire by rotation, as set forth in Item No. 5 of this Notice. On appointment, Mr. Kalia will be classified as Non-Executive Non-Independent Director of the Bank, liable to retire by rotation, considering his association with the Bank prior to his appointment on the Board.

Save and except Mr. Kalia and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Item No. 6

Mr. Rentala Chandrashekhar (DIN: 01312412), who has been appointed as an Additional Director of the Bank w.e.f. April 26, 2018 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the **'Act'**), holds office up to the date of this Annual General Meeting of the Bank or the last date on which the annual general meeting should have been held, whichever is earlier and is eligible for appointment. In terms of Section 160 of the Act, the Bank has received a notice in writing from a Member signifying his intention to propose the candidature of Mr. Chandrashekhar for the office of Director. Mr. Chandrashekhar has furnished consent/declarations for his appointment as required under the Act and the Rules thereunder.

Mr. Chandrashekhar holds a Master's degree in Computer Science from Pennsylvania State University, USA and a Master's degree in Chemistry from the Indian Institute of Technology ('IIT'), Bombay. He has several honors and awards to his credit including the Prime Minister's Award for Excellence in Public Administration, the Data Quest Path Breaker of the Year Award and is a distinguished Alumnus of IIT Bombay. Mr. Chandrashekhar has extensive experience in IT and Telecom sectors. He is the immediate Past President of NASSCOM. Under his leadership, NASSCOM strengthened its position as a leading voice of the industry in the wake of rising scale, diversity and transformation in the IT-BPM industry in the country. He also undertook various industry initiatives for

driving the growth of start-up eco-system in the country and building agile, scalable skilling programs for New Age tech skills. Mr. Chandrashekhar has also been the Secretary to the Government of India for Electronics and IT as well as Chairman of the Telecom Commission of India and Secretary, Telecom. He was a member of the Indian Administrative Service since 1975 and retired from Government service in 2013.

The N&RC had assessed the profile of Mr. Rentala Chandrashekhar and having found him to be 'fit and proper' in terms of Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks, recommended his appointment to the Board of Directors. In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Bank, basis the recommendation of the N&RC, have reviewed the profile of Mr. Chandrashekhar and the declarations that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that he fulfills the criteria of independence. In the opinion of the Board, Mr. Chandrashekhar meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as an Independent Director. Considering his vast expertise and knowledge in the field of Information Technology, formulation and implementation of policies and strategies, and Human Resources, it would be in the interest of the Bank that Mr. Chandrashekhar is appointed as an Independent Director on the Board of the Bank.

Mr. Rentala Chandrashekhar's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, in particular, on account of Mr. Chandrashekhar 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).*

Your Directors, therefore, recommend the appointment of Mr. Rentala Chandrashekhar (DIN: 01312412) as an Independent Director of the Bank, for a period of five (5) years, not liable to retire by rotation, as set forth in Item No. 6 of this Notice.

Save and except Mr. Chandrashekhar and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Item No. 7

Dr. Pratima Sheorey (DIN: 08120130), who has been appointed as an Additional Director of the Bank w.e.f. April 26, 2018 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the **'Act'**), holds office up to the date of this Annual General Meeting of the Bank or the last date on which the annual general meeting should have been held, whichever is earlier and is eligible for appointment. In terms of Section 160 of the Act, the Bank has received a notice in writing from a Member signifying his intention to propose the candidature of Dr. Sheorey for the office of Director. Dr. Sheorey has furnished consent/declarations for her appointment as required under the Act and the Rules thereunder.

Dr. Sheorey is a Ph.D. in Marketing and is an MBA (Marketing) from Pune University. She is a Bachelor of Science (Microbiology) from Pune University and qualified USG NET in 2012. She has over 21 years of experience in Academics (Marketing), Consumer behavior, Market Research, Training and Customer Insight mapping. She is currently the Director of Symbiosis Centre for Management and Human Resource Development (SCMHRD), a leading B-school in Pune. She has also served as Director of Symbiosis Institute of International Business (SIIB) from April 2013 to August 2013. Dr. Sheorey brings with her extensive research on Consumer behavior, Customer loyalty, Market research across consumer focused sectors, with a specific emphasis on creating an all-round experience in customer engagement. She has co-authored numerous papers for Journals and has also co-authored a chapter, 'A conceptual framework for determining brand attitude and brand equity through text analytics of social media behavior' in Encyclopedia of Information Science and Technology.

The N&RC had assessed the profile of Dr. Sheorey and having found her to be 'fit and proper' in terms of Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks, recommended her appointment to the Board of Directors. In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Bank, basis the recommendation of the N&RC, have reviewed the profile of Dr. Sheorey and the declarations that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that she fulfills the criteria of independence. In the opinion of the Board, Dr. Sheorey meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as an

Independent Director. Considering her vast expertise and knowledge in the field of Marketing and Human Resources, it would be in the interest of the Bank that Dr. Sheorey is appointed as an Independent Director on the Board of the Bank.

Dr. Pratima Sheorey's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, in particular, on account of Dr. Sheorey 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).*

Your Directors, therefore, recommend the appointment of Dr. Pratima Sheorey (DIN: 08120130) as an Independent Director of the Bank, for a period of five (5) years, not liable to retire by rotation, as set forth in Item No. 7 of this Notice.

Save and except Dr. Pratima Sheorey and her relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Item No. 8

Mr. Rana Kapoor (DIN: 00320702) has been serving as the Managing Director & CEO (**'MD & CEO'**) of the Bank since September 01, 2004, in accordance with the provisions of the Articles of Association (**'AOA'**) of the Bank, recommendation of Nomination & Remuneration Committee and the Board of Directors and with the approval of the Members of the Bank and the Reserve Bank of India (**'RBI'**), from time to time. His current tenure as MD & CEO of the Bank as approved by Members of the Bank *(as approved by the Members at the AGM held on June 06, 2015)* and the RBI is valid upto August 31, 2018.

Under the dynamic leadership of Mr. Rana Kapoor, YES BANK has progressively established itself 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 even in the challenging period of the Indian economy in the last five years. The Bank has received significant national and global recognition and accolades including being recognized amongst the strongest banks by prestigious media houses, international rating agencies and global advisory firms. The Bank has adopted global best practices, the highest standards of governance, risk management, service quality and operational excellence catering to every customer segment including Corporate, Institutional, MSMEs, Retail, Food & Agriculture, Inclusive Banking etc. offering the entire bouquet of products across Savings & Investments, Payments, Financial Markets, Investment Banking, Corporate Finance, Transaction Banking, Digital Banking etc. Under Mr. Kapoor's leadership, YES BANK continued to raise significant capital from domestic and international financial institutions. During the year, YES BANK raised USD 600 million through the issuance of Bonds through an MTN Program, from its GIFT City IBU in the International Financial Services Center, at Gandhinagar. This is the largest debut international Bond issuance by an Indian Bank and was issued under YES BANK's maiden USD 1 billion MTN Program. The Bank has raised ₹5,415 crore through issuance of Basel III Compliant AT-1 Bonds in October 2017. Additionally, YES BANK also raised ₹7,000 crore through issue of Basel III Compliant AT-2 Bonds during FY 2018. The Bank has 1,100 branches as of March 31, 2018, across 670+ locations pan India with 1,724 ATMs & BNAs along with 3 NOCs in Mumbai, Gurgaon and Chennai with 18,238 employees.

Considering, the satisfactory performance achieved by the Bank till date under Mr. Rana Kapoor's leadership, the Board of Directors at their meeting held on April 26, 2018 based on the provisions of the AOA and recommendation of Nomination & Remuneration Committee (**'N&RC'**), have decided to recommend his re-appointment including terms of appointment as MD & CEO with effect from September 01, 2018 for a period of three (3) years to the Members of the Bank for approval, which will be subject to receipt of approval from RBI.

The N&RC while recommending the remuneration has considered the overall performance of the Bank, Industry Benchmarking, cost of living adjustment/inflation and Regulatory guidelines as applicable. Further, based on the recommendation of the N&RC and in line with the Compensation Policy of the Bank, the Board of Directors has recommended the remuneration for MD & CEO for the financial year beginning April 01, 2018, with a maximum increase up to 20% over the remuneration of preceding year i.e. 2017-18 and with an annual increment of up to a maximum of 20% for every subsequent financial year thereafter during the currency of his proposed extended term of three (3) years, to the Members for approval which is subject to approval of RBI.

The MD & CEO is being paid the current remuneration basis RBI approval, effective from April 01, 2016 as mentioned in the resolution. The details of the remuneration paid for financial year 2017-18 has been disclosed in the Annual Report under Directors' Report and the Corporate Governance Report in the prescribed format. The Bank has applied to RBI for revision in remuneration with effect from April 01, 2017, and the increase as finally approved by RBI within the above mentioned limit as approved by the Shareholders, shall be payable to the MD & CEO.

Bonus:

Mr. Rana Kapoor shall also be entitled to an annual performance bonus as may be determined by the N&RC/ Board of Directors in terms of the Compensation & Benefits Policy of the Bank and in terms of the guidelines issued by RBI on the Compensation of Managing Directors/Whole Time Directors, etc. and as approved by RBI.

Perquisites:

Mr. Rana Kapoor shall also 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; residence telephones, 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 approval(s).

It may be noted that the proposed payment of remuneration to Mr. Rana Kapoor will be subject to the approval of RBI.

Further, Mr. Rana Kapoor's re-appointment is in terms of the Articles of Association of the Bank, and 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).*

Your Directors, recommend the re-appointment of Mr. Rana Kapoor (DIN:00320702), MD & CEO of the Bank and revisions in remuneration, as set forth in item No.8 of this Notice, for approval by the Members of the Bank.

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

Item No. 9

In terms of Section 180(1)(c) of the Companies Act, 2013 (the '**Act**'), 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 in the ordinary course of business, other than loans raised for the purpose of financing expenditure of a capital nature), in excess of the paid-up capital of the Company, its free reserves and securities premium, require the approval of the Members by way of special resolution. The Members of the Bank at their Annual General Meeting held on June 06, 2017 had approved the borrowing limits not exceeding ₹70,000 Crore (Rupees Seventy Thousand Crore) under Section 180(1)(c) of the Act.

YES BANK is the 4th Largest Private Sector Bank and one of the fastest growing Banks in India. In past 3 years (FY 2015-18), Bank's Advances and Total Assets have grown at CAGR of 39% and 32% respectively resulting in Total Assets crossing ₹3 Lakh Crore and Advances crossing ₹2 Lakh Crore as on March 31, 2018. The robust growth in balance sheet has translated into healthy Total Income CAGR growth of 33% and Net Profit CAGR growth of 28%, during the same period. With positive economic indicators, YES BANK expects to continue its robust growth trajectory in medium to long-term and grab market share. Availability of adequate funding is one of the key requirements for the Bank to continue its growth journey. YES BANK's growth momentum is further supported by its IBU book under IFSC Banking Unit at GIFT City, Gujarat. Within 3rd year of operations, Bank's IBU book has already crossed size of USD 2.5 Billion. To fund its growth requirements, the Bank successfully completed issuance of maiden USD 600 Million bond issue in the international debt markets under USD 1 Billion MTN program. In addition to the MTN Bond raising, the Bank has raised ₹5,415 Crore through issue of Basel III compliant Perpetual Additional Tier I bonds and ₹7,000 Crore through issuance of Basel III compliant Tier II bonds taking Total CRAR to 18.4% as on March 31, 2018. In view of the higher growth visibility in medium to long-term, maintaining the Tier I & Tier II capital requirements and higher Refinance Borrowings opportunity given increasing Retail/SME exposures and consequent eligibility, the Bank would need higher borrowings and issuance of Debt Securities including the Non-Convertible Debentures, Bonds, MTN (Medium-Term Notes), Basel III compliant Bonds, etc. Accordingly, your approval is sought to increase the borrowing limits from ₹70,000 Crore (Rupees Seventy Thousand Crore) to ₹110,000 Crore (Rupees One Hundred Ten Thousand Crore) or in equivalent foreign currency.

Further, the bank may raise funds through Basel III compliant bonds, Infra bonds or Medium-Term Notes/ overseas borrowing, hence approval is being sought for ₹30,000 Crore of borrowing/raising funds in Indian/ foreign currency by issue of debt securities by the Bank in one or more tranches as proposed in Item No. 10 of this Notice. The same will be within the overall borrowing limits of the Bank as proposed hereby and as may be approved by the Members.

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.

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

Item No. 10

YES BANK is the 4th Largest Private Sector Bank and one of the fastest growing Banks in India. In past 3 years (FY 2015-18), Bank's Advances and Total Assets have grown at CAGR of 39% and 32% respectively resulting in Total Assets crossing ₹3 Lakh Crore and Advances crossing ₹2 Lakh Crore as on March 31, 2018. The robust growth in balance sheet has translated into healthy Total Income CAGR growth of 33% and Net Profit CAGR growth of 28%, during the same period. With positive economic indicators, YES BANK expects to continue its robust growth trajectory in medium to long-term and grab market share. Availability of adequate funding is one of the key requirements for the Bank to continue its growth journey. YES BANK's growth momentum is further supported by its IBU book under IFSC Banking Unit at GIFT City, Gujarat. Within 3rd year of operations, Bank's IBU book has already crossed size of USD 2.5 billion. To fund its growth requirements, the Bank successfully completed issuance of maiden USD 600 million bond issue in the international debt markets under USD 1 billion MTN programme. In addition to the MTN Bond raising, the Bank has raised ₹5,415 Crore through issue of Basel III compliant Perpetual Additional Tier I bonds and ₹7,000 Crore through issuance of Basel III compliant Tier II bonds taking Total CRAR to 18.4% as on March 31, 2018. In view of the higher growth visibility in medium to long-term, maintaining the Tier I & Tier II capital requirements and higher Refinance Borrowings opportunity given increasing Retail/SME exposures and consequent eligibility, the Bank would need higher borrowings and issuance of Debt Securities including the Non-Convertible Debentures, Bonds, MTN (Medium-Term Notes), Basel III compliant Bonds, etc.

In terms of Section 42 of the Companies Act, 2013 read with Rule 14 and other applicable Rules of the 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.

Accordingly, the Bank has obtained the approval of Members at last AGM held on June 06, 2017 for borrowing/raising funds by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹20,000 Crore (Rupees Twenty Thousand Crore Only), in one or more tranches which is valid upto June 05, 2018. Pursuant to the said approval, the Bank has raised an amount of ₹16,312 Crore (Rupees Sixteen Thousand Three Hundred and Twelve Crore Only) by way of issue of Bonds/MTN till March 31, 2018.

Post assessing its fund requirements, the Board of Directors seek approval from Members of the Bank for borrowing/raising funds in Indian/foreign currency by issue of debt securities upto ₹30,000 Crore (Rupees Thirty Thousand Crore Only). It may include (but not limited to) non-convertible debentures, bonds, MTN (Medium-Term Notes), Basel III compliant bonds, etc. pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI. The Bank may raise funds in one or more tranches in domestic and/ or overseas market from eligible investors on private placement basis, as per the structure and limits permitted by RBI and other regulatory authorities on such terms and conditions determine/considered appropriate by the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time. 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 ₹110,000 Crore (Rupees One Hundred and Ten Thousand Crore) or in equivalent foreign currency. 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 on various factors which may include prevailing risk free rates, competitor rates of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and prevailing investor regulations. Further, debt securities may be issued either at par/ premium/ discount to the face value depending upon the prevailing market conditions, as permitted by the relevant applicable regulations.

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. This resolution is an enabling resolution and authorizes the Board of Directors of the Bank to offer or invite subscription

for debt securities, as may be required by the Bank, from time to time, for a year from the date of passing this resolution.

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

Item No. 11

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 March 2017 when the Bank raised equity capital of ₹4,906.65 Crore by way of Qualified Institutions Placement (QIP). The Tier I capital adequacy ratio as on March 31, 2018 is 13.2%. 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 thresholds under Basel III by March 2019.

YES BANK is one of the fastest growing Banks in India, with Advances CAGR of 39% in past 3 years (FY 2015-18). With positive economic indicators, YES BANK expects to continue its robust growth trajectory in medium to long-term. Availability of adequate capital is one of the key requirements for achieving this feat. Apart from augmenting lending capabilities for the Bank, higher capital requirement is also necessitated to comply with BASEL III capital requirements, funding investments in Infrastructure and Technology to expand reach, enhance customer experience and augmenting processes and controls.

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 10% 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 proposed issue of capital is subject to the approvals of the Reserve Bank of India and applicable regulations issued by the Securities and Exchange Board of India and any other government/regulatory approvals as may be required in this regard.

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 floor price determined pursuant to the ICDR Regulations (not be less than the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the 'Relevant Date', less a discount of not more than 5%). 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

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, financially or otherwise, in this resolution.

Item Nos. 12 & 13

The Bank has, from time to time, been granting Stock Options to its employees to attract, hire and retain talented and experienced personnel from the industry, as well as to reward and motivate employees for their long association and in recognition of their dedicated service to the Bank, pursuant to the approval of its Members. Rewarding employees with stock options aligns with the long-term growth of the Bank and ensures active participation by a team of motivated employees in ensuring the desired growth of the Bank. Previous stock options were approved by the Members at the annual general meetings held in the year 2006, 2007, 2008, 2009 and 2011. The total number of Options approved under existing Scheme 'YBL JESOP V/ PESOP II' is 4.5 Crore (Four Crore and Fifty Lakh) Options, which is equivalent 22.5 Crore Options post sub-division of equity shares of the Bank from the face value of ₹10 each to ₹2 each, constituting 9.78% of the paid-up equity share capital of the Bank as on March 31, 2018 convertible into equal number of equity shares of ₹2 (Rupee Two) each. The Bank has so far granted 20.6 Crore stock Options out of the 22.5 Crore stock Options under 'YBL JESOP V/ PESOP II'. No further grants will be made under the existing Scheme once the approval of Members is received on the proposed Scheme **'YBL ESOS - 2018'.**

In accordance with the terms of this resolution and the **'YBL ESOS - 2018',** the options would be granted in one or more tranches as may be decided by the Board, from time to time.

The following would inter alia be the broad terms and conditions of **'YBL ESOS - 2018'**:

OBJECT OF THE EMPLOYEE STOCK OPTION SCHEME

YES BANK Limited has from time to time granted stock options to its employees at the time of joining and to reward performance of existing employees. In order to retain the existing employees and also to attract, hire and retain the best talent, it is proposed to introduce a new stock option Scheme whereby, employees who comply with certain eligibility criteria would be given Options to subscribe to a specified number of equity shares in the Bank. The employees could exercise the Option after a stipulated time and after complying with the conditions subject to which the Options are granted, by paying the appropriate consideration, consequent to which the shares would be allotted to them. The name of the Employee Stock Option Scheme will be known as **'YBL ESOS - 2018'** (hereinafter referred to **'ESOS'**).

NOMINATION AND REMUNERATION COMMITTEE ('N&RC'):

N&RC of the Bank, comprising of Non-Executive Directors majority being Independent Directors, shall act as the Compensation Committee under Regulation 5 of the SEBI (Share Based Employee Benefits) Regulations, 2014, which has been authorized to *inter alia* formulate, administer and supervise ESOS including framing of its terms and conditions of ESOS as permitted under the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 as amended and Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the SEBI (hereinafter the **'SEBI SBEB Regulations').** All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection

with the ESOS shall be referred to the N&RC and shall be determined by the N&RC and such determination/ decision/ interpretation shall be final and binding upon all persons having an interest in or affected by the ESOS.

The number of members of the N&RC and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.

The N&RC shall have the final authority to administer the Scheme, prescribe and amend any rules in the Scheme. N&RC shall be entitled to delegate such of its powers and duties under this Scheme at its discretion to any person or persons it may deem fit from time to time.

TOTAL NUMBER OF OPTIONS / SHARES TO BE GRANTED UNDER THE ESOS

It is proposed to grant 7,50,00,000 Options under ESOS entitling the grantees to subscribe to an aggregate of 7,50,00,000 equity shares of the Bank of the face value of ₹2 each.

Options which are yet to be granted under the existing Employee Stock Option Schemes of the Bank shall lapse from the date of **YBL ESOS - 2018** *(proposed new scheme)* coming into effect. However, Options which are granted but yet to vest and the Option granted and vested but has not been exercised under the existing Schemes of the Bank will remain valid.

The total issued and paid-up capital of the Bank as on April 26, 2018 is ₹460,91,65,190 consisting of 230,45,82,595 Equity Shares of ₹2 each and the maximum dilution that could take place in future under the proposed Scheme i.e. YBL ESOS - 2018 would not exceed 3.15% of the expanded issued and paid-up share capital of the Bank.

The SEBI SBEB Regulations require that in case of any corporate action such as rights issue, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the N&RC shall adjust the number and exercise price of the Options granted in such a manner that the total value of the Options granted under ESOS remain the same after any such corporate action keeping the life of the Options intact.

IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED TO PARTICIPATE IN THE ESOS

The current and future employees of the Bank and its Subsidiary Companies in India and/or abroad, subject to regulatory guidelines, would be eligible for ESOS grants based on eligibility criteria including but not limited to the management band, performance, potential, and tenure of service of the employee. Employees include whole-time directors but exclude Promoters of the Bank and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Bank. The Options may be granted to the Employees as determined by N&RC on its own discretion.

REQUIREMENTS OF VESTING AND PERIOD OF VESTING

The vesting period shall commence on the expiry of one year from the date of grant of the options and could extend up to five years from the date of grant of the options.

The stock options could be granted in tranches and could vest in tranches or at one time and the Vesting schedule for each tranche and conditions subject to which Vesting would take place will be decided by the N&RC and will be outlined in the Grant Letter.

MAXIMUM PERIOD WITHIN WHICH THE OPTIONS SHALL BE VESTED

From the date of grant of the options, the options shall vest in the employees within such period as may be prescribed by the N&RC, which period shall as mentioned above, be not less than one year and not more than five years from the date of grant of the options.

EXERCISE PRICE / PRICING FORMULA

The stock options would be issued to the eligible employees at a price being the price quoted on the stock exchange on the previous day on which the Options are granted.

Since, the Shares of the Bank are listed on more than one stock exchange in India, the closing price on the stock exchange having higher trading volume shall be considered as the Market Price.

EXERCISE PERIOD AND THE PROCESS OF EXERCISE

Exercise period is a period, as may be determined by N&RC for each Grant, commencing from the Grant Date and expiring on completion of such period not exceeding 10 years from the Grant Date.

The Option Grantee may exercise the Options by submitting the Exercise Form to the Bank accompanied by payment, including applicable taxes, of an amount equivalent to the Exercise Price in respect of issue of equity Shares. N&RC may determine the procedure for Exercise from time to time. Upon receipt of the Exercise Form and the payment of the Exercise Price along with applicable taxes in a form and manner as stipulated in

the ESOS or by the N&RC, the Bank shall issue and allot Shares to the Option Grantee.

Payment of the Exercise Price and applicable taxes shall be made by a crossed cheque or a demand draft drawn in favor of the Bank or fund transfer through RTGS/ NEFT/ IMPS or in such other manner as the N&RC may decide.

All tax liabilities, present and future, arising at the time of Grant, Exercise and sale of Shares issued pursuant to Exercise of Options by the Employee shall be borne by the Employee.

APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY OF EMPLOYEES FOR THE ESOS

The eligible employees and the quantum of Grants shall be determined by the N&RC after taking into account eligibility criteria including but not limited to the performance, potential, management band, and tenure of service of an employee. All decisions made by the N&RC in this regard would be final.

MAXIMUM NUMBER OF OPTIONS TO BE ISSUED PER EMPLOYEE AND IN THE AGGREGATE

The number of Options that would be issued to each employee under the ESOS will be at the sole decision of the N&RC. Provided always that, no single employee shall be granted more than 5 million Options under the ESOS.

IMPLEMENTATION AND ADMINISTRATION OF THE SCHEME WHETHER BY THE BANK OR THROUGH TRUST

The ESOS shall be implemented and administered directly by the Bank/N&RC. The ESOS involves new issue of 7,50,00,000 Options entitling the grantees to subscribe to an aggregate of 7,50,00,000 equity shares of the Bank of the face value of ₹2 each.

DISCLOSURE AND ACCOUNTING POLICIES

The Bank shall conform to the accounting policies prescribed by SEBI, RBI, and/or any other appropriate regulatory authority, from time to time.

METHOD FOR VALUATION OF OPTIONS

SEBI has prescribed two methods to account for stock grants; namely (i) the intrinsic value method; (ii) the fair value method.

The Bank shall use Intrinsic Value Method for valuation of Options as prescribed by SEBI, RBI, and/or any other appropriate regulatory authority, from time to time.

In case the Bank opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options, shall be disclosed in the Directors' report and the impact of this difference on profits and on Earning Per Share of the Bank shall also be disclosed in the Directors' report.

As per SEBI Regulations, approval of Members by way of separate special resolution shall be obtained by the Bank, if the benefits of the ESOS are to be extended to the employees of the subsidiary or holding company. Separate Resolution under this Notice at Item No. 13 is being proposed accordingly to cover the Employees of the Subsidiary Companies of the Bank.

Approval of the members is being sought in terms of Section 62 of Companies Act, 2013 and any other applicable provisions of law, for the issue of equity stock options convertible into equity shares of the Bank to the employees of the Bank including employees of the Subsidiary Companies mentioned above under ESOS. The resolutions and the terms stated therein as also the terms stated in this explanatory statement hereinabove shall be subject to the guidelines/regulations issued/ to be issued by statutory authorities in that behalf and the Board of Directors/N&RC shall have the absolute authority to vary or modify the terms hereinabove in accordance with and subject to all applicable guidelines which may be stipulated by SEBI or otherwise.

Your Directors, therefore, recommend the passing of the resolution(s) as set forth in Item Nos. 12 & 13 of this Notice as Special Resolution(s).

Save and except Mr. Raj K. Ahuja, CFO and Mr. Shivanand R. Shettigar, Company Secretary and their relatives to the extent of the Options may be granted to them from time to time under the ESOS, none of the Directors nor other Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

By Order of the Board of Directors



Place: Mumbai
Date: April 26, 2018

Shivanand R. Shettigar
Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE:

1. Mr. Ajai Kumar

Age	64 years
Date of first appointment on Board	January 29, 2016
Qualification	L.L.B, Post Graduate in Physics from University of Allahabad. Certified Associate of Indian Institute of Bankers
Brief Resume including experience	Mr. Ajai Kumar has a distinguished career in banking industry having more than forty years of experience in Public Sector Banking Industry holding eminent leadership positions in India and overseas (New York, USA) including as CMD of Corporation Bank, Executive Director of UCO Bank and as General Manager & Head of Technology and Retail Banking at Bank of Baroda. As CMD of Corporation Bank (October 2011 to June 2013), he provided strong leadership to take Bank to next level of Business and Next Generation Technology, implemented turnaround strategies successfully by creation of strong business processes and structures in the form of Circle Offices for better efficiency and controls, launching SME Loan Centers, Agriculture Business Development Cells, and several Gold Loan Shoppes. Under his leadership, Corporation Bank emerged as the Bank with very strong financials, best productivity, best asset quality and best customers services among its peers. The Bank was ranked No. 1 in the country for its performance in MSME finance for the year 2012-13 and honored with National award by Prime Minister of India. Prior to Corporation Bank, Mr. Ajai Kumar was Executive Director of UCO Bank wherein, he had developed significant improvements in structures, systems and controls in operations, credit monitoring and supervision. He started his career with Bank of Baroda joining as a Direct Officer in the year 1973. In his thirty six years of service in Bank of Baroda, he had held various positions handling key responsibilities in Head Office, Zonal Offices, Branches, New York Office and Off-shore Banking Operations of Nassau, Bahamas, covering a vast spectrum of banking operations. He also played a pivotal role in strengthening and consolidating Retail Business with centralized process through Retail Loan Factories and introduction of several new value-based products for customers. His hands-on and practice-driven experience facilitated balanced decision making with insight into all aspects. He has been associated with YES BANK as Senior Strategic Advisor of the Bank (July 2014 to January 2016) before appointment on the Board. Mr. Ajai Kumar secured several awards and accolades in his illustrious career as a Banker and has also been honored with Outstanding Award for the paper submitted on 'Knowledge Management - A Perspective for Public Sector Banks' in BECON 2003. He was also a Member of the Board of Directors at Indo Zambia Bank Ltd., and Multi Commodity Exchange of India Limited.
Nature of his expertise in specific functional areas	Mr. Kumar being a veteran Banker has expertise in the fields of Risk Management, Payment & Settlement Systems, Banking, Finance, Agriculture, Human Resources, Investments, Treasury Operations, Information Technology and Business Management
Other Directorship	Nuclear Power Corporation of India Limited Metropolitan Stock Exchange of India Limited Indiabulls General Insurance Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	**Chairmanship** **Audit Committee,** Nuclear Power Corporation of India Limited **Nomination and Remuneration Cum Compensation Committee,** Metropolitan Stock Exchange of India Limited

	Membership **Audit Committee,** Metropolitan Stock Exchange of India Limited **Board Sub-Committee for Nomination and Remuneration,** Nuclear Power Corporation of India Limited **Board Sub-Committee for Resource Mobilization,** Nuclear Power Corporation of India Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on April 26, 2018)	2,400 equity Shares
No. of board meetings attended during the year	8/8 Details of his attendance in the Committee meetings are provided in the Corporate Governance Report forming part of Annual Report for FY 2017-18
Terms and conditions of appointment or re-appointment	Non-Executive Non-Independent Director liable to retire by rotation
Remuneration last drawn	Sitting fees and profit based commission as disclosed in report on corporate governance forming part of Annual Report for FY 2017-18

2. Mr. Rana Kapoor

Age	60 years
Date of first appointment on Board	November 21, 2003
Qualification	MBA degree from Rutgers' University in New Jersey, U.S.A. (1980), and a Bachelor's degree in Economics (Honors) from the University of Delhi (1977).
Brief Resume including experience	Mr. Rana Kapoor is the Founder and Managing Director & CEO of YES BANK. As a professional entrepreneur, since 2003, he has been progressively established a high quality, state-of-the-art private Indian Bank with a vision of 'Building the Finest Quality Large Bank of the World in India'. 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 strong profitability, and consistent asset quality. He is also on the Board of the Management of Indian Institute of Foreign Trade (IIFT), Delhi. Mr. Kapoor is also a member of the Executive Council of NASSCOM. Mr. Kapoor was recently felicitated with the 'CNBC Asia's India Talent Management' award at the 13th edition of CNBC TV 18's India Business Leader Awards. He was felicitated by the Hurun Report – Entrepreneur of the Year award for his role in the growth of YES BANK, job creation, innovation in the financial sector and overall contribution to the development of the nation. He was also felicitated by the Hon'ble Governor of Maharashtra, Shri C. H. Vidyasagar Rao and the Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis, for his 'commitment to the development of the State of Maharashtra' in 2017. Mr. Kapoor was felicitated as CEO of the Year at SABRE Asia Pacific Awards 2016 in Hong Kong by The Holmes Group. Mr. Kapoor received the 'Best Business Innovator' award at the Asia Business Leadership Forum. He had earlier received The Asian Banker CEO Leadership Achievement Award for India, 2013. Mr. 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. Mr. 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 has also received the prestigious President's Medal from Rutgers University.
Nature of his expertise in specific functional areas	Mr. Rana Kapoor is a professional Banker having expertise in fields of Banking, Risk Management and Business Management, Economics, Finance, Human Resources and Entrepreneurship
Other Directorship	YES Securities (India) Limited Yes Asset Management (India) Limited

Chairmanship/Membership of Committees in companies in which position of Director is held	None
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company *(as on April 26, 2018)*	100,000,000 equity shares and has ownership with his family in Yes Capital (India) Private Limited and Morgan Credits Private Limited with aggregate shareholding of 245,875,000 equity shares in the Bank.
No. of board meetings attended during the year	8/8 Details of his attendance in the Committee meetings are provided in the Corporate Governance Report forming part of Annual Report for FY 2017-18
Terms and conditions of appointment or re-appointment including remuneration	Re-appointment as Managing Director & CEO for a period of 3 years commencing from September 01, 2018 on the terms and conditions and remuneration provided in the resolution and explanatory statement hereinabove.
Remuneration last drawn	As provided in the resolution and explanatory statement

3. Mr. Subhash Chander Kalia

Age	66 years
Date of first appointment on Board	April 03, 2018
Qualification	Bachelor's degree in Arts from Punjab University and a Master's degree in Political Science, with the distinction of standing first in the University from Guru Nanak Dev University and is also a Gold Medalist, and is also a qualified CAIIB.
Brief Resume including experience	Mr. Subhash Chander Kalia has rich experience of over 38 years in the Banking Industry holding key positions in India and abroad. Previously, Mr. Kalia served as an Executive Director of Union Bank of India from November 21, 2009 to September 2011. He also served as an Executive Director of Vijaya Bank Ltd. from October 2008 to November 2009. Mr. Kalia joined Bank of Baroda in 1973 and worked in several capacities up to the level of General Manager till 2008. He was instrumental in setting up Baroda Pioneer Asset Management Company and Baroda L & G Life Insurance Company. Mr. Kalia has significant expertise in Agriculture lending, Financial inclusion and Priority Sector Lending. He has also served on various Committees constituted by RBI/ Association/ Government of India such as Indian Banks' Association Committee on Agro Business and Financial Inclusion for the year 2010-11, Empowered Committee on External Commercial Borrowing of RBI, Committee constituted by RBI to re-examine the existing classification and suggest revised guidelines with regard to priority sector lending classification and related issues, Committee constituted by Government of India to identify issues in financing of Projects in Road, Conventional Power, Fuel & Fuel & Energy, Urban Transport and other Sectors as identified in Indian Infrastructure Report, etc. Mr. Kalia has also been associated with corporate and NBFCs as advisor in financial service sector space. He has rich experience in corporate governance practices followed in India and abroad, having served on the Boards of several Banks and Institutions. He has also served as the Chairman of Regional Rural Bank, Pratapgarh, Director on the Board of erstwhile Bareilly Corporation Bank Limited, Nainital Bank Limited, Shahjahanpur Kshetriya Gramin Bank Limited and Bareilly Kshetriya Gramin Bank Limited and various overseas subsidiaries of Bank of Baroda, etc.
Nature of his expertise in specific functional areas	Mr. Kalia being a veteran Banker has expertise in fields of Agriculture and Rural economy, Risk Management, Banking, Micro & Small Enterprise Finance, Priority Sector Lending, Infrastructure, Business Management
Other Directorship	PNC Infratech Limited Amar Ujala Publications Limited BOI AXA Investment Managers Private Limited INFIN Asset Reconstruction Private Limited *(being in the process of Striking Off)* NABARD Financial Services Limited IFCI Venture Capital Funds Limited

Chairmanship/Membership of Committees in companies in which position of Director is held	**Chairmanship** **Audit & Compliance Committee,** BOI AXA Investment Managers Private Limited **Audit Committee,** PNC Infratech Limited **Membership** **Audit Committee** 1. NABARD Financial Services Limited 2. Amar Ujala Publications Limited 3. IFCI Venture Capital Funds Limited **Risk Management Committee,** NABARD Financial Services Limited **NPA Recovery & Management Committee,** IFCI Venture Capital Funds Limited **E Governance Committee of Directors,** IFCI Venture Capital Funds Limited
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company *(as on April 26, 2018)*	2,000 equity shares
No. of board meetings attended during the year	N.A.
Terms and conditions of appointment or re-appointment including remuneration	Non-Executive Non-Independent Director, liable to retire by rotation.
Remuneration last drawn	N.A.

4. Mr. Rentala Chandrashekhar

Age	65 years
Date of first appointment on Board	April 26, 2018
Qualification	Masters degree in Computer Science from Pennsylvania State University, USA and a Masters degree in Chemistry from the Indian Institute of Technology, Bombay
Brief Resume including experience	Mr. Chandrashekhar has extensive experience in IT and Telecom sectors. He is the immediate Past President of NASSCOM. Under his leadership, NASSCOM strengthened its position as a leading voice of the industry in the wake of rising scale, diversity and transformation in the IT-BPM industry in the country. He also undertook various industry initiatives for driving the growth of start-up eco-system in the country and building agile, scalable skilling programs for New Age tech skills. He was also a member of the Committee on Digital Payments set up by the Ministry of Finance that submitted its recommendations in December, 2016 to strengthen the digital payments eco-system in the medium-term. Mr. Chandrashekhar has also been the Secretary to the Government of India for Electronics and IT as well as Chairman of the Telecom Commission of India and Secretary, Telecom. He was a member of the Indian Administrative Service since 1975 and retired from Government service in 2013. Mr. Chandrashekhar has acted as strategic adviser to large global companies, major banks and Indian startups apart from serving as Director on the Boards of several companies. Mr. Chandrashekhar has extensive experience in the Government for formulating and implementing policies, strategies and action plans to foster the growth of the Telecom and IT industry which also includes infrastructure, Human Resource Development, e-governance and establishing Public Private Partnerships. He has several honors and awards to his credit including the Prime Minister's Award for Excellence in Public Administration, the Data Quest Path Breaker of the Year Award and is a distinguished Alumnus of IIT Bombay.
Nature of his expertise in specific functional areas	Mr. Rentala Chandrashekhar has expertise in fields of Information Technology, formulation and implementation of policies and strategies and Human Resources.
Other Directorship	Goods and Services Tax Network
Chairmanship/Membership of Committees in companies in which position of Director is held	None

Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company *(as on April 26, 2018)*	Nil
No. of board meetings attended during the year	N.A.
Terms and conditions of appointment or re-appointment including remuneration	Independent Director for a period of five (5) years, not liable to retire by rotation
Remuneration last drawn	Not Applicable

5. Dr. Pratima Sheorey

Age	45 years
Date of first appointment on Board	April 26, 2018
Qualification	Ph.D. in Marketing, MBA (Marketing) from Pune University, Bachelor of Science (Microbiology) from Pune University and qualified USG NET in 2012.
Brief Resume including experience	Dr. Sheorey has over 21 years of experience in Academics (Marketing), Consumer behavior, Market Research, Training and Customer Insight mapping. She is currently the Director of Symbiosis Center for Management and Human Resource Development (SCMHRD), a leading B-school in Pune. She has also served as Director of Symbiosis Institute of International Business (SIIB) from April 2013 to August 2013. Dr. Sheorey was a full time Faculty at SCMHRD as an Associate Professor in the Department of Marketing from July 2007 till April 2013 as well as a Visiting Faculty from June 1999 till January 2001 and Full time Faculty from January 2001 till July 2003. She has also been associated with Hero Corporate Services Limited, ORG – MARG (The Nielson Company) and IMRS India Ltd. for Research. Dr. Sheorey brings with her extensive research on Consumer behavior, Customer loyalty, Market research across consumer focused sectors, with a specific emphasis on creating an all-round experience in customer engagement. She has co-authored numerous papers for Journals and has also co-authored a chapter, 'A conceptual framework for determining brand attitude and brand equity through text analytics of social media behavior' in Encyclopedia of Information Science and Technology.
Nature of his expertise in specific functional areas	Dr. Pratima Sheorey has expertise in Marketing, Business Strategy, Human Resources and Business Management.
Other Directorship	None
Chairmanship/Membership of Committees in companies in which position of Director is held	None
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on April 26, 2018)	Nil
No. of board meetings attended during the year	N.A.
Terms and conditions of appointment or re-appointment including remuneration	Independent Director for a period of five (5) years, not liable to retire by rotation
Remuneration last drawn	Not Applicable

By Order of the Board of Directors



Place: Mumbai
Date: April 26, 2018

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

Registered Office: 9th Floor, Nehru Center, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India.
Tel.: +91 (22) 3366 9000 Fax: +91 (22) 2490 0314 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) holding ..... 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 14th Annual General Meeting of the Bank, to be held on Tuesday, June 12, 2018 at 11.00 A.M. at Hall of Culture, Ground Floor, Nehru Center, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
ORDINARY BUSINESS:		**For**	**Against**
1	Adoption of standalone and consolidated financial statement for the year ended March 31, 2018		
2	Approval of dividend on equity shares		
3	Appoint a director in place of Mr. Ajai Kumar (DIN: 02446976), who retires by rotation and being eligible, offers himself for re-appointment.		
4	Ratification of appointment of M/s. B. S. R. & Co. LLP., Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors and fixation of remuneration thereof		
SPECIAL BUSINESS:			
5	Approval for Appointment of Mr. Subhash Chander Kalia (DIN:00075644) as a Director, liable to retire by rotation		
6	Approval for Appointment of Mr. Rentala Chandrashekhar (DIN: 01312412) as an Independent Director of the Bank		
7	Approval for Appointment of Dr. Pratima Sheorey (DIN: 08120130) as an Independent Director of the Bank.		
8	Approval for re-appointment of Mr. Rana Kapoor (DIN: 00320702), MD&CEO of the Bank and to approve the revisions in remuneration		
9	Approval for increase in the borrowing limits from ₹70,000 Crores to ₹110,000 Crores		
10	Approval for borrowing/ raising funds in Indian/ foreign currency by issue of debt securities upto ₹30,000 Crore (the 'NCDs') to eligible investors on private placement basis		
11	Approval for raising of capital upto USD 1 Billion by issue of shares or convertible securities in one or more tranches provided however that the aggregate amount raised shall not result in increase of the issued and subscribed equity share capital of the Bank by more than 10% of the then issued and subscribed equity shares of the Bank		
12	Approval of Employee Stock Option Scheme of the Bank i.e. **'YBL ESOS - 2018'**		
13	Approval for extending the benefits of Employee Stock Option Scheme of the Bank to the eligible Employees of the Subsidiary Companies of the Bank		

Signed this ..... day of ..... 2018.

Affix ₹1/- Revenue Stamp Here

Signature of shareholder .....

Signature of Proxy holder(s) .....

Notes:

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

Registered Office: 9th Floor, Nehru Center, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India.

Tel.: +91 (22) 3366 9000 Fax: +91 (22) 2490 0314 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 FOURTEENTH ANNUAL GENERAL MEETING of YES BANK LIMITED held on Tuesday, June 12, 2018 at 11.00 A. M., at Hall of Culture, Ground Floor, Nehru Center, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018.

.....

Signature of Member/Proxy

Notes:

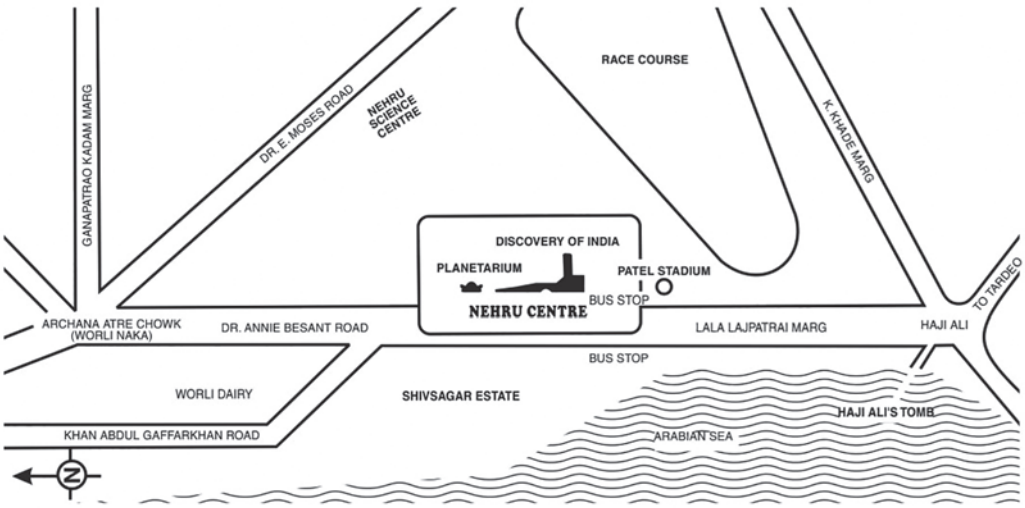
(1) Members/Proxyholders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

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

Venue of the 14th Annual General Meeting of YES BANK Limited
to be held on Tuesday, June 12, 2018 at 11:00 A.M.

Venue Address : Hall of Culture, Ground Floor, Nehru Center,
Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018

Map of Venue below



Location Map of Nehru Centre

YES BANK

FUTURE NOW



YES BANK LIMITED

ANNUAL REPORT 2017-18

AWARDS AND RECOGNITIONS

Best Bank for SMEs in India
- **Asiamoney Best Banks Awards 2018**

Best Bank in India for CSR
- **Asiamoney Awards 2017**

Best Bank in India
- **Asiamoney Corporate Client Choice Survey 2017**

Bank of the Year – India
- **The Banker Best Bank Awards 2017**

Rose 493 places to #1239 World ranking in 'Forbes Global 2000 List'
- **Forbes Global 2000 List of World's Largest Companies**

Rose 129 places to 271 World Ranking in 'The Banker 1000 Rankings

Best Trade Finance Bank in India, 2017 Best Financial Supply Chain, 2017
- **The Asian Banker Achievement Awards**

'Global Winner' in the Supply Chain Finance category Transaction Bank of the Year for Asia Pacific
- **The Banker Transaction Banking Awards 2017**

Big Data Analytics use cases
- **Gartner Excellence Awards**

Innovation in Blockchain product (supply chain vendor financing) and YES ENGAGE
- **Finnoviti Award 2018**

29th Qualtech Prize for Improvement and Innovation in the BFSI Industry for use of Data Analytics
- **Qimpro Consultants**

Dow Jones Sustainability Index (DJSI)
- **Emerging Markets (2015-2017)**

Accelerator of the Year for YES FINTECH
- **India Fintech Awards 2017**

FTSE4Good Emerging Index 2017

'The Extraordinaire – Brand'
- **Brand Vision Summit 2018**

Asia's Leader in Bank-as-a-Service
- **Financial Insights Innovation Awards 2017**

Best Innovation in Sustainable Financial Products & Services
- **Karlsruhe Sustainable Finance Award 2017**

Assigned 'Prime' status by Oekom Research AG

MSCI All Country World Index (ACWI) ESG Leaders Index and MSCI ACWI SRI Index

YES BANK was Lead Arranger for Sepset Construction Limited
- *Renewable energy deal of the year – Solar (Overall)*
- *Project finance/Renewable energy deal of the year (Solar)*

- **The Asset Triple A Asia Infrastructure Awards 2017**

Best Digital Payments System by Banks for Smart Cities
- **Smart City Conclave 2017**

Payments Product for API Banking
- **Celent Model Bank 2017 Award**

FUTURE NOW

YES BANK has always been ahead of the curve in terms of process, product and service innovations and is also accelerating these through pertinent digital interventions. While 2017 was all about being future-ready by conceptualizing and testing futuristic ideas, the year 2018 will be more about embracing 'Future, Now' by scaling these interventions, and fast-forwarding YES BANK into the future.

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View our Annual Report online

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

https://www.yesbank.in/investor-relations/annual-reports.html

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

YES BANK, India's fourth largest private sector bank is a high quality, customer centric, service driven, private Indian Bank catering to the Future Businesses of India.

Since inception in 2004, YES BANK has grown into a 'Full Service Commercial Bank' providing complete range of products, services and digital offerings, catering to corporate, MSME & retail customers. YES BANK operates its Investment banking, Merchant banking & brokerage businesses through YES SECURITIES, a wholly owned subsidiary of the Bank.

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

1100
Branches

1724
ATMs

Vision

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



YES BANK is headquartered at the Lower Parel Innovation District (LPID) of Mumbai.

FUTURE NOW

We might not have flying cars, sophisticated sci-fi gizmos or time travel yet, but no one can deny the fact that the world has changed dramatically in the last decade. The shift due to unprecedented digitization has led to obsolescence, not just of technological architecture but also of business models, management frameworks, and most importantly, obsolescence of the skillsets of our human capital. This is especially true in the banking sector, globally and in India.

While the business of banking, intermeshed with macroeconomic scenarios, will continue to navigate both the intermittent headwinds and tailwinds, there has been another strong story building up on the back of technology driven disruptions.

Banking which has followed a pattern of natural evolution over centuries, is now metamorphosing at Godspeed.

While the core fundamentals of banking, or for that matter any business, haven't changed given the speed of transformation, we have to literally change the engines while flying, without letting our eyes off the radar.

When you start considering the inverted model of the future already in the present, the definition of change itself needs to be altered as well to match the evolution of customer behaviour. Now, more than ever, we need to ensure that the Customer is truly at the centre of our strategy, we need to understand the customers' needs – stated, unstated, and constantly evolving – and couple that with relevant products and solutions delivery. A bank or financial institution no longer holds sway over the customer as technology has made it feasible for the customer to choose the best solutions available in the market, fairly seamlessly. And this will only further accentuate in the years to come. At YES BANK, we saw weak signals of this change a few years ago.

Breaking stereotypes, challenging the status-quo and doing things differently has always been a part of our organizational DNA.

We have tried to look into the future, and embrace the tomorrow, today. At YES BANK we call this FUTURE NOW. A future where uncertainty is embraced and harnessed to bring about critical change in businesses.

For YES BANK, Future Now is going beyond the 'rhetoric' of customer centricity, and embedding it across the entire organization – in its customer journey and experience, supported by reimagined products and services, technology, operations and human touch points.

Future Now is about thriving in the digital age by challenging conventions and embracing change. The year 2017 was about being FutuReady. Through ART of Banking (Alliances & Relationships with underlying Technology) we conceptualized and tested ideas of the future.

The year 2018 is about embracing Future Now, scaling these interventions, and fast forwarding YES BANK into the future.



FINANCIAL HIGHLIGHTS

TOTAL ASSETS

(₹ in crore)



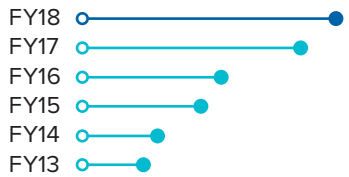
FY18	312,446
FY17	215,060
FY16	165,263
FY15	136,170
FY14	109,016
FY13	99,104

25.8% CAGR

Balance Sheet Crossed Significant Milestone of ₹ 3 lakh crore

SHAREHOLDERS FUNDS

(₹ in crore)



FY18	25,758
FY17	22,054
FY16	13,787
FY15	11,680
FY14	7,122
FY13	5,808

34.7% CAGR

Strong Internal Accretion

DEPOSITS

(₹ in crore)



FY18	200,738
FY17	142,874
FY16	111,720
FY15	91,176
FY14	74,192
FY13	66,956

24.6% CAGR

Deposits crossed ₹ 2 lakh crore with increasing granularity

CASA RATIO

(%)



FY18	36.5
FY17	36.3
FY16	28.1
FY15	23.1
FY14	22.0
FY13	18.9

42.0% CAGR

CASA CAGR of 42% resulting in robust increase in CASA ratio

ADVANCES

(₹ in crore)



FY18	203,534
FY17	132,263
FY16	98,210
FY15	75,550
FY14	55,633
FY13	47,000

34.1% CAGR

Robust growth contributed to Strong Performance across segments

GROSS NPA

(%)

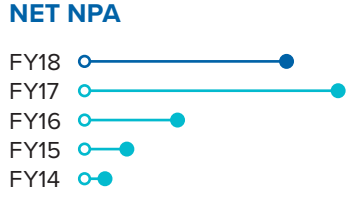


FY18	1.28
FY17	1.52
FY16	0.76
FY15	0.41
FY14	0.31
FY13	0.20

Healthy Asset Quality parameters with improving outlook

NET NPA

(%)

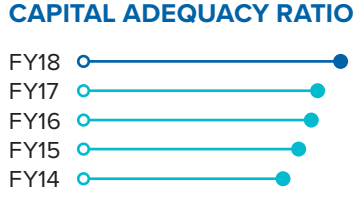


FY18	0.64
FY17	0.81
FY16	0.29
FY15	0.12
FY14	0.05
FY13	0.01

Reflective of Bank's robust Risk Management framework

CAPITAL ADEQUACY RATIO

(%)



FY18	18.4
FY17	17.0
FY16	16.5
FY15	15.6
FY14	14.4
FY13	18.3

Healthy Capital Adequacy to enable capturing Market Share

NET INTEREST INCOME

(₹ in crore)

FY18	7,737
FY17	5,797
FY16	4,567
FY15	3,488
FY14	2,716
FY13	2,219

28.4% CAGR

Robust NII Growth on back of strong growth in Advances and expanding NIMs

NON INTEREST INCOME

(₹ in crore)

FY18	5,224
FY17	4,157
FY16	2,712
FY15	2,046
FY14	1,722
FY13	1,257

33.0% CAGR

Healthy growth across transactional Corporate, Trade, CMS and Granular Retail Fees

NET PROFIT

(₹ in crore)

FY18	4,225
FY17	3,330
FY16	2,539
FY15	2,005
FY14	1,618
FY13	1,301

26.6% CAGR

Sustained Profit Delivery with Best in Class Return Ratios

NET-INTEREST MARGIN

(%)

FY18	3.5
FY17	3.4
FY16	3.4
FY15	3.2
FY14	2.9
FY13	2.9

NIMs expansion over the last 4 years on the back of increasing CASA and improving Retail mix

COST TO INCOME RATIO

(%)

FY18	40.2
FY17	41.4
FY16	40.9
FY15	41.3
FY14	39.4
FY13	38.4

Leveraging Investment in Branches, People and Technology

RETURN ON ANNUAL AVERAGE ASSETS

(%)

FY18	1.6
FY17	1.8
FY16	1.7
FY15	1.6
FY14	1.6
FY13	1.5

RoA's above 1.5% for the past 5 years

RETURN ON EQUITY

(%)

FY18	17.7
FY17	21.5
FY16	19.9
FY15	19.0
FY14	25.0
FY13	24.8

Delivering Consistent Shareholders' Returns

BASIC EARNINGS PER SHARE

(₹)

FY18	18.4
FY17	15.8
FY16	12.1
FY15	9.9
FY14	9.0
FY13	7.3

20.3% CAGR

Robust retained earnings

MESSAGE FROM THE NON-EXECUTIVE CHAIRMAN



Ashok Chawla
Non-Executive Independent Part-time Chairman

Dear Shareholders,

The Global economy's cyclical upswing continued to intensify in 2017. In line with this, the Indian economy continued to gain momentum, aided by decisive policy decisions taken by the Government of India in the last few years. India's economic prospects for FY19, therefore, appear promising.

To support the acceleration in the economy, revival of India's banking sector will need to keep pace with it. The process of resolution of the asset quality pressures and NPA issues, which has got streamlined through the Insolvency and Bankruptcy Code (IBC) framework, is likely to witness material progress in the days ahead.

Revival apart, banking itself is changing radically and changing fast. The banking sector has become increasingly tech-driven. YES BANK initiated this change three years ago and is at the forefront of digital transformation. It is a matter of satisfaction that

> YES BANK was the first Bank in India to successfully implement innovation in Supply Chain finance using Blockchain and API (Application Program Interface) Banking.

Digitization has been across the entire spectrum:

- **Backend Processes**
- **Launch of new products and services across payments**
- **Lending**
- **Transaction Banking**
- **Deploying AI (Artificial Intelligence) solutions**
- **Robots**
- **Using data for risk management**
- **Client servicing**

YES BANK was the first Bank in India to successfully implement innovation in Supply Chain finance using Blockchain and API (Application Programming Interface) Banking.

As the Bank continues its digital journey in pursuit of enhanced customer satisfaction and efficiency, the Bank continued to receive multiple accolades recognizing its stellar performance on parameters across:

- **Business and Financial Outcomes**
- **Responsible Banking**
- **Innovation**
- **Financial Inclusion**
- **Digital Banking and Fintech**
- **Transaction Banking**
- **Human Capital, among others**

In terms of governance, the Board of Directors continued to extensively engage with the top and senior management leaders of the Bank during various Board/Committee meetings. Such engagements allow the Board to provide guidance to the leadership team to ensure long term sustenance of the Bank's business strategy. The Board continues to have confidence in the long-term success of the Bank, backed by a robust record of regulatory compliance and a prudent approach to risk management.

Recently, Mr. Saurabh Srivastava retired from the Bank's Board owing to the completion of his term and Ms. Debjani Ghosh resigned from the Board due to her preoccupation on account of her joining the NASSCOM as Executive President. I would like to thank them for their valuable contribution to YES BANK's Board over the years. YES BANK also appointed Mr. Subhash Chander Kalia, Mr. Rentala Chandrashekar and Dr. Pratima Sheorey on the Board of the Bank. We look forward to their contribution towards the growth of the Bank. The current Board of the Bank comprises of 9 Directors, including 6 Independent Directors, strengthening the Bank's governance commitment.

All of these building blocks rest on a deeper foundation - the TRUST that your Bank has earned from its customers and other stakeholders. The coming year will be an important one for YES BANK.

We will work ceaselessly along with all stakeholders to ensure a successful journey in the mission of "Building the Finest Quality Large Bank of the World in India" sooner than later.



Ashok Chawla
Non-Executive Independent
Part-time Chairman

MANAGING DIRECTOR & CEO's COMMUNIQUE



Rana Kapoor
Managing Director & CEO

Dear Shareholders,

Since my last communication through YES BANK's Annual Report 2016-17, the economic and business landscape has undergone substantial changes.

The financial year 2017-18 was marked by two critical economic elements.

It was a year of two halves, which saw sharp contrast in the manner and magnitude in which the economy grew in the first and the second half. Transient adjustment challenges emanating from lagged impact of 'Demonetization' and the implementation of the GST (Goods & Services Tax) weighed upon the business climate in the first half of the year.

However, with the second half of the year witnessing near complete 'Remonetization' of the economy along with prompt smoothening of the GST architecture, business activity revived with the country's GDP (Gross Domestic Product) projected to grow at 7.2% during Oct-Mar FY18 vis-a-vis 6.1% growth seen in Apr-Sep FY18. FY18 can be classified as the year of economic flux with profound economic changes on both the global and domestic front.

Globally, economic recovery gathered momentum with 2017 characterizing a synchronized improvement across all regions.

> FY18 can be classified as the year of economic flux with profound economic changes on both the global and domestic front.

> World GDP growth as estimated by the IMF (International Monetary Fund) touched 3.8% in 2017, the highest since 2011.

Domestically, economic flux was manifested in the conduct of RBI's (Reserve Bank of India) monetary policy, with a shift in policy stance to 'neutral' from 'accommodative' during the course of the year.

More importantly, the flux was premised upon key structural transformations like Demonetization, IBC (Insolvency & Bankruptcy Code), and GST, which has already started to alter both the 'ease' and 'way' of doing business in India.

The year witnessed two major global endorsements for these policy reforms – India's sovereign credit rating got an upgrade from international rating agency Moody's to Baa2 from Baa3 and India leapfrogged to secure a rank of 100 in World Bank's Doing Business Assessment Report, from 132 earlier.

These structural policy reforms have started ushering in the desirable drive of 'Formalization through Financialization' of the economy while also helping revive investments by unlocking stuck capital in non-productive assets.

In this context, I see the following five trends worth higlighting:

- **Global Opportunities and Challenges**
- **Formalization through Financialization**
- **Buy Vs. Build**
- **Digital Infrastructure**
- **Staying Ahead**

GLOBAL OPPORTUNITIES AND CHALLENGES

The IMF estimates World GDP growth to improve to 3.9% in 2018 and 2019. This is encouraging for India's exports, which recovered to 9.8% growth in FY18 from 5.2% in FY17.

While external demand is likely to provide a tailwind, volatility in global conditions could stem from further hardening of global interest rates and the destabilizing impact of trade protectionism. India should take this opportunity to:

- Suitably adjust domestic cost of funding growth, keeping in mind global dynamics and domestic requirements of monetary and financial stability.
- Carve out mutually beneficial terms of market access within the WTO (World Trade Organization) framework to promote Make in India program and seek to replace China as it moves higher up the production value chain.

The banking sector will synchronize its growth agenda depending on the calibrated and patient domestic policy response on domestic interest rates and government's restraint in converting the global trade constraints into sectoral opportunities. YES BANK raised capital across a wide array of transactions partnering with leading national and international institutions, thus demonstrating its ability to raise capital across products and cycles and is well positioned to capitalize on the expected growth momentum in the Indian economy.

FORMALIZATION THROUGH FINANCIALIZATION

Jan Dhan, Aadhaar, PAN, and GST are helping formalize the Indian economy through greater financialization, which is expected to be manifested in a higher preference for financial savings along with improved tax buoyancy. More importantly, these reforms are expected to start resulting in productivity gains for the overall economy. These ongoing behavioural shifts have started beneficially impacting the banking and financial industry with important ramifications and business opportunities for working capital cycle, payments and settlements space, and the asset management industry.

BUY VS. BUILD

With capacity utilization in the manufacturing space currently remaining subdued at around 73%, the IBC framework encourages a time-bound sale of stressed assets, thereby promising a fillip in M&A activities. This is likely to result in industry-wide consolidation as the wheat gets separated from the chaff, which will help unlock stuck capital and revive private investments. This is likely to generate financing opportunities for the financial sector.

DIGITAL INFRASTRUCTURE

The Jan Dhan, Aadhaar – Mobile trinity, and with India Stack coupled with innovations from private sector, fintechs and banks, has ushered in an irreversible transformation of banking and financial industry in terms of customer experience, operating margins and overall productivity.

These emerging trends will create both winners and losers. The banking and financial industry will need to be cognizant of the risk-reward structure in these emerging opportunities with focus on managing market, credit, operational, and last but not the least, human resource risk.

FY 2017-18 was a significant year in YES BANK's lifecycle wherein the Bank took several initiatives aimed at preparing to scale up and fast forward YES BANK into the future.

From launching chatbots for customer connect and using blockchain for transactions, to being one of the first banks to implement UPI for enabling digital payments and deploying Robots in the mid, back and front offices, YES BANK has already taken a lead in this sphere. Going forward, with growth of connected systems – Big Data and AI – ML, among others – should galvanize significant progress in the fintech space.

By embracing the Future Now philosophy, YES BANK is bringing in the future of banking to the present, having seeded and scaled multiple such initiatives as part of our digital transformation, both within and outside the YES FINTECH initiative.

We are now in the 4th year of our LARGE BANK phase and have already achieved a CASA ratio of 36.5%, making substantial progress towards achieving size and scale as a LARGE Bank, with a firmly embedded digital banking ethos, and a focus on quality.

We at YES BANK believe in being nimble-footed while positioning for gains in mindshare and market share. It is a matter of immense institutional pride for me that YES BANK is playing an important role in helping transform India.

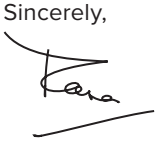
STAYING AHEAD

I would like to acknowledge and thank Mr. Saurabh Srivastava and Ms. Debjani Ghosh for their contribution and valuable guidance as part of YES BANK's Board over the years.

As we accelerate into the next financial year, YES BANK is fully equipped to actualize our strategy of building a strong Corporate, Retail and Digital Banking franchise through process, product and service innovations and ahead of the curve digital interventions.

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

Thank you.
Sincerely,



Rana Kapoor
Managing Director & CEO

ROBUST RISK MANAGEMENT

YES BANK has maintained a consistent approach to risks and endeavors to protect customers' funds, lend responsibly, and support development of the economy.

We have been nimble in adapting transformative technologies to augment our risk management framework by designing robust systems and processes, utilizing state-of-the-art digital innovations.

The Risk Management culture is deeply embedded in the core values of the Bank and is continually reinforced through clear and consistent communication and appropriate training of employees.

The Bank is committed to the highest standards of compliance vis-à-vis regulatory guidelines and internal prescriptions. All employees are responsible for the management of risk, with the ultimate accountability residing with the Board of Directors. YES BANK's Board-approved Risk Appetite statement summarizes the risks that the Bank accepts as part of doing business – Credit Risk, Market Risk and Liquidity Risk – along with risks that the Bank assumes as part of conducting business, such as Operational Risk, as well as risks for which the Bank has zero tolerance, such as Compliance Risk.

The approved Risk Appetite and Risk Limits are continuously monitored by the Risk Management team and is overseen by various Management Committees and Board sub-committees.

Stress Testing is an integral part of our Risk Management framework

It helps the management and the Board understand the nature and extent of vulnerabilities to which the Bank is exposed.

Our risk culture also involves proactive risk identification, appraisal and appropriate time-bound initiatives to mitigate risks with the objective of balancing risks with returns.

The Bank has set robust risk filters and systems that enable it to detect early warning signals and embrace appropriate proactive actions.

The Bank's Risk Management framework is forward-looking and includes coverage of Environmental and Climate Risks. The Bank's Environment and Social Policy recapitulates the commitments of the Bank to mainstream environmental and social issues strategically as an integral dimension of business. It enables the Bank to develop processes to recognize, evaluate, and to the highest degree possible, monitor the environmental and social facets of its banking operations and stakeholders, reinforcing the Bank's commitment to sound sustainability practices.

The Bank continually invests to fortify the resilience and reliability of IT and Information Security systems to enable seamless customer services and mitigate various aspects of cyber related threats and risks. This has facilitated the Bank in offering a vast array of digital products and services to customers and promote safe, secure and convenient banking.



DIGITAL BANKING

In a world that is rapidly embracing the digital way of life at an unprecedented rate, competitive advantage will shift from providing satisfactory customer service to enabling exceptional real-time customer service, backed by solutions that will constantly learn and adapt to out-think the needs of the market.

To take the 'Giant Leap', YES BANK has adopted the philosophy, 'FUTURE: NOW', by embracing tomorrow, today.

With the A.R.T (Alliances, Relationships and Technology) approach and by following lean methodology for all Digital Banking initiatives, YES BANK aims to draw on the intelligence that new technology brings to make ourselves Future Ready for the customer of tomorrow.

During FY 2017-18, YES BANK took significant steps that will lead to this giant leap to make the Bank a Future Ready Digital Bank.

YES BANK's digital banking strategy is structured around:

1. **Investing in technology to create customer facing digital platforms that result in superior customer experience while ensuring optimal cost saving**
2. **Build digital businesses around emerging payment systems to address untapped segments and create a multiplier effect on the reach**
3. **Work with various Government and Municipal bodies, and contribute towards creating Digital India**

1 UNIFIED DIGITAL EXPERIENCE



Realizing the speed and importance of global tectonic shifts in the digital space and specific to the banking industry, YES BANK has invested significantly in upgrading core systems like Core Banking System, Debit Card Switch, Mobility Platforms and Chatbots. The Bank shall continue to do so for the coming 24 months to create a next generation digital platform which can provide a 'Unified Digital Experience' across internet, mobile, voice and BOT channels.

These initiatives will ensure that there is heightened customer engagement and superior customer service. For example, over the previous year, YES BANK has pioneered implementation of 'BOTS' technology for Customer Acquisition, Personal Banking Assistant, Cross Sell and Customer Servicing for various businesses. In addition to helping customers explore YES BANK services and seek product information, YES BANK's 'YES ROBOT' also allows customers to transact over chat, which is one of the industry-first features integrated into the Bot.

YES BANK is also creating Centers of Excellence for Robotics and Analytics which will play a pivotal role in reducing service time and enhancing the quality of customer interactions, elements key to Customer Delight.

2 A.R.T. AND EMERGING PAYMENTS



While designing a unified digital experience for customers has been a key focus area, Digital Payments is another area where YES BANK has been focusing on gaining leadership position by adopting the A.R.T. (Alliances – Relationships-Technology) framework. This approach in conjunction with the Future: Now philosophy has helped the Bank accelerate its innovation and technology adoption and show tremendous speed in go-to-market of digital payment platforms targeted at specific use case for both corporate and retail customers.

It is noteworthy to mention that YES BANK's hugely successful YES FINTECH program has leveraged the A.R.T. philosophy and strengthened innovation culture of the Bank by developing a platform to co-create and interact with more than 1,500 startups and fintechs in the country during the last two cohorts, rapidly growing on the innovation curve.

The A.R.T. way of doing digital banking has also helped YES BANK emerge as a market leader in UPI transactions. YES BANK is scaling up IMPS, BBPS and Prepaid Payment Instruments through multiple third parties. Further, as Aadhaar proliferates, YES BANK's focus will be on scaling up Aadhaar-based Banking and Payment Services (AEPS, ABPS and Aadhaar Pay) and in this regard the Bank is partnering with industry pioneers to launch IRIS and EMV-ready payment solutions. The Bank is also exploring technologies like Blockchain for easing out settlement and reconciliation processes.

3 SMART CITIES AND DIGITAL INDIA



Contributing to the Prime Minister's Digital India and Smart City Missions, YES BANK is working with multiple State Governments and Municipal Corporations by offering them customized smart city solutions for digital payments.

- YES BANK launched Nashik City Prepaid Card Program for facilitation of 51 G2C services of Nashik Municipal Corporation through existing and newly created Customer Facilitation Centers.
- The Bank has been selected to partner with Maharashtra, Rajasthan, Rajkot Smart City and Chhattisgarh State Government to roll out digital payment solutions.
- YES BANK has also become the Digital Banking partner for Puducherry Tourism Development Corporation (PTDC) for issuance of Co-Branded Prepaid Cards for cashless transactions.
- Further, the Bank is working closely with the Food and Civil Supplies Ministry, Government of Maharashtra, to facilitate their Fair Price Shops with basic setups to enable banking transactions.

Efforts are on to create more such opportunities and touch innumerable Indians through various digital payment solutions.

HUMAN CAPITAL MANAGEMENT

At YES BANK, our Human Capital philosophy focuses on creating the right mindset to enable business performance by empowering and encouraging our executives to push their boundaries beyond their comfort zones, embrace challenges and drive growth.



Culture

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

USRM (University Relationships)

Our University & School Relationship Management (USRM) program is a structured, sustainable and scalable engagement process that creates and maintains the maximum mindshare for YES BANK among the students of Top B-Schools in India, positioning us as a preferred Employer of Choice.

Hiring of 75 management graduates from premier B-Schools in FY 2017-18 through the Y-PEP (YES Professional Entrepreneurship Program), the flagship program for campus recruitment, is testimony to the success of the USRM program.

Digitization

In line with the Bank's focus on creating competitive advantage through HCM Digitization, the Bank has put in place robust systems and processes encompassing cloud based HRIS system with enhanced interface for superior user experience and mobile based solution for ease and convenience of employees.

YES BANK has leveraged cutting edge Digital technologies and Robotics Process Automation (RPA) to automate processes in Compensation, Payroll administration and HCM initiatives. HCM Digitization has also enabled the Bank to make our Engagement and Wellness Strategy more robust, scalable and effective through mobile and interactive Bot based solution.

To further strengthen our focus on the Return on Time Invested (RoTI), Productivity and Cost optimization, YES BANK has launched a slew of initiatives covering all HCM functions including Performance Management, metrics for measuring and tracking productivity, and review of organizational structures and processes.

FINANCIAL INCLUSION

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

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

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

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

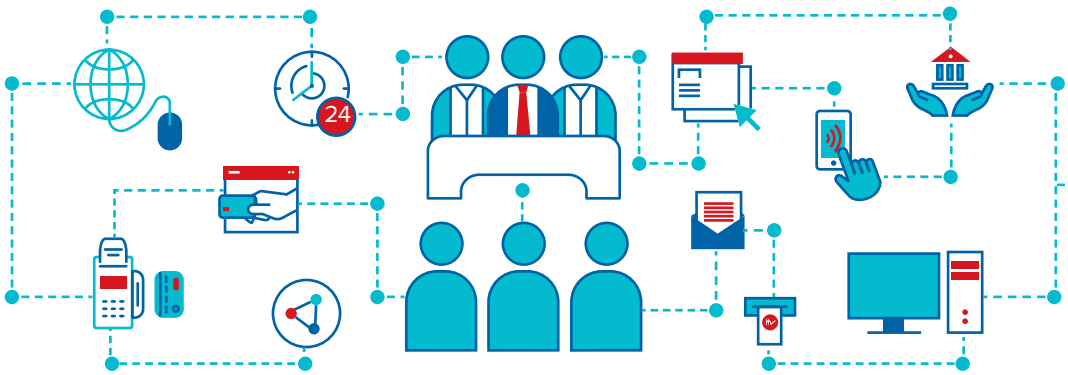


Yes Leap

The Bank's flagship Group Lending Program in rural and semi-urban India is YES LEAP. It has financed over 3.5 lakh self-help groups (SHGs) spread in 260 districts and 19 states, touching and transforming the lives of over 21 lakh families.

8.4 mn+
customers served through 1.5 lakh Business Correspondent Agents of YES MONEY

21 lakh
families transformed through YES LEAP SHGs financing program



YES GLOBAL INSTITUTE

YES Global Institute, the practicing think tank at YES BANK, has been instituted to create shared growth through innovative development models, stakeholder engagement and policy advocacy. YES Global Institute, through its well defined knowledge verticals, is driving highest quality research and policy recommendations in key areas of Innovation and Culture, Sustaining Livelihoods, Policy Development and Sustainability for India's development. As one of India's new age think tanks, the Institute creates platforms to bring together new technologies, global best practices, business models and innovative approaches to fast-track India on the path to double-digit GDP growth.

The Institute believes that India's inclusive economic growth will come by establishing a mutually-beneficial partnership between the public sector's governance and policy making, and the private sector's innovation and entrepreneurship.

Further, it is important that India's glorious past and rich culture that is anchored in arts, crafts, frugal innovation and diversity be leveraged to define the country's growth trajectory along a knowledge driven pathway. YES Global Institute is driving the discourse on concepts such as cultural industries, innovation districts, natural capital and channelizing private capital for development in India.

YES BANK's approach on taking these themes forward is through dialogue facilitation, knowledge creation, skill development and extensive stakeholder engagement.

Social Impact

The YES Global Institute's 'Social Impact' vertical has been undertaking extensive thought leadership through policy oriented research in the areas of Education, Healthcare, Skills and Youth.

It has engaged with the government, multilateral and bilateral stakeholders to build suitable networks and generate the required momentum for change in policy and mindset.

Design Innovation and Creativity Led Entrepreneurship (DICE)

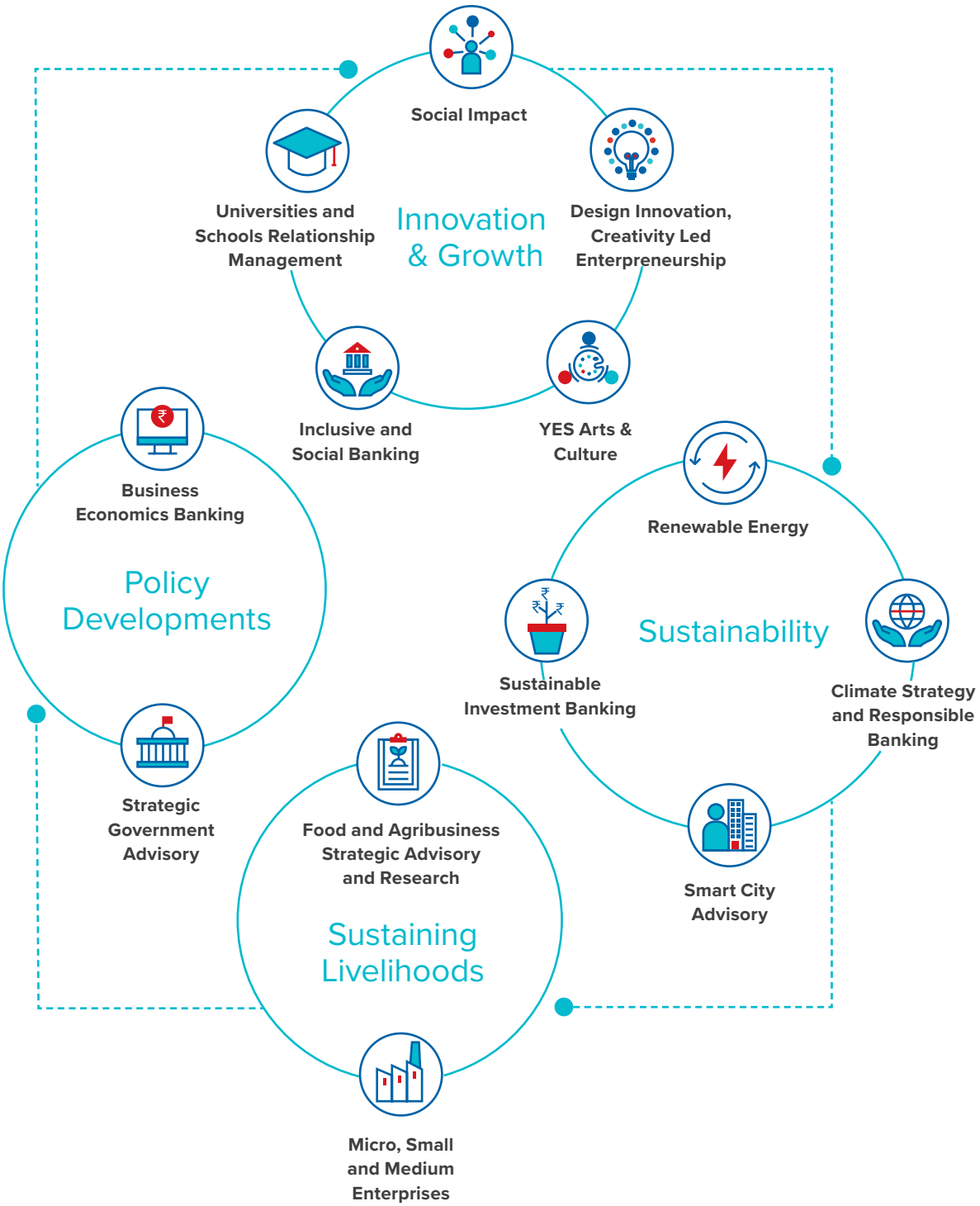
The Design Innovation and Creativity led Entrepreneurship (DICE) team has leveraged the ethos of 'Future Now' to catalyze the innovation ecosystem in India by spearheading various transformational initiatives like pioneering innovative use of CSR funds by undertaking crowd funding campaign, organizing various strategic convening and competition like Ed-Tech India for Innovation series and partnership with Embassy of Israel for Start TLV and Start JLM competition to catalyze Indian entrepreneurs on global platform.

YES Arts & Culture

YES Arts & Culture is dedicated to the promotion, development and conservation of India's cultural heritage and works towards driving inclusive socio-economic development through the promotion of creativity. YES Arts & Culture collaborates with diverse players in the cultural field and in Government, industry and academia to foster a sense of exchange between different stakeholders.

It also focuses on public engagement through the inclusive format of heritage walks, cycle tours, and audio guides around heritage sites to promote the need for conservation. Within the domain of crafts, skill development and contemporary design intervention program in Handicrafts sector have been conceived in developed crafts clusters of India. Culinary Arts is also a strong focus area with YES Arts & Culture, and the intent is to promote traditional food wisdom and distinct national identity through culinary rituals and traditions. It also focuses on promoting research on cultural issues and policies through convening conferences around them.

Focus Areas

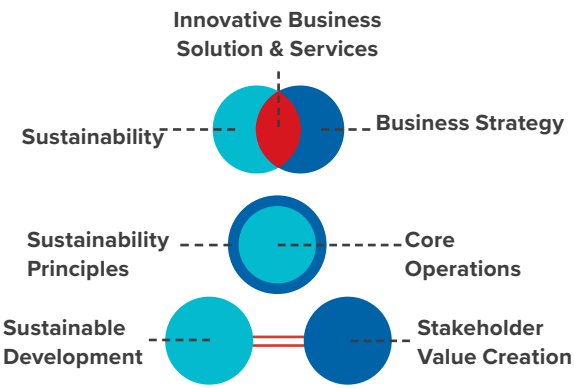

Social Impact
Universities and Schools Relationship Management
Innovation & Growth
Design Innovation, Creativity Led Enterpreneurship
Inclusive and Social Banking
YES Arts & Culture
Business Economics Banking
Policy Developments
Strategic Government Advisory
Renewable Energy
Sustainability
Sustainable Investment Banking
Climate Strategy and Responsible Banking
Smart City Advisory
Food and Agribusiness Strategic Advisory and Research
Sustaining Livelihoods
Micro, Small and Medium Enterprises

RESPONSIBLE BANKING

Rapid globalization and digitization are increasingly shaping our world in an unprecedented manner. Technological advances that are unparalleled in their speed and impact are making it imperative for businesses to innovate and be Future Ready, Now.

Bringing the future to the present for the Bank, therefore, involves an intrinsic and sustainable transformation by future-proofing the business. Developing solutions to minimize negative effects while taking advantage of positive impact of future events holds the key. To reap full benefits of this evolution, innovations in technology, policy formation and finance are the way forward. Thus, at YES BANK, Future Now, a philosophy to bring the future to the present through innovation and various interventions, is not only a commitment to business, but also towards achieving the global development goals.

YES BANK institutionalized Responsible Banking as a key differentiator and one of its six strategic pillars since inception. It believes that there is an inherent need for financial institutions to play a central role in India's economy to create positive social and environmental impact.



With a greater understanding of its stakeholders' needs and an uncompromising focus on corporate governance and risk management, YES BANK has been able to establish sustainability impact through cutting-edge solutions in climate finance and community interventions. The Bank's visionary approach to prioritizing Environmental, Social and Governance (ESG) performance in the Indian banking sector with early efforts at bringing future to the present for all its stakeholders has borne fruit, endorsed by recognition at various platforms.

Future Ready Climate Action

YES BANK believes that financial institutions are catalysts to a sustainable economy. Building a sustainable future involves propagating the use of future-ready technologies like blockchain, electric vehicles and smart buildings. These sunrise sectors offer an investment opportunity of USD 3.1 trillion in India. The Bank, through its Responsible Banking ethos, is pioneering this low-carbon transformation with a focus on:

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

The Bank's 360-degree risk framework integrating ESG parameters is central to future-proofing the business. The Bank proactively looks at mitigating emerging risks and creates new opportunities in India's climate-resilient business sectors. YES BANK believes that climate change is a business opportunity for transition to a low-carbon economy and has pioneered the Green Bond market in India.

In December 2017, the Bank became the first Indian bank to solely arrange a Social Bond, the proceeds of which would go towards financing affordable housing projects.

This, along with a pilot blended-finance project for salt pan farmers in Little Rann of Kutch, showcases the Bank's futuristic approach to financial innovations for sustainable communities.

Policy Advocacy for Future

Through its proactive approach, YES BANK has helped cement strong community relations and leveraged its partnerships with national and international institutions, multi-lateral organizations, academia and corporate peers to bring positive transformation.

The Bank has lent its technical & practitioner's perspective to policy and regulatory action on pertinent issues, with an aim to drive investments towards the sunrise sectors of the economy, while innovating to bring India's unbanked and under-banked population into the formal economy. In its role as a thought leader, YES BANK has created platforms and developed knowledge reports on issues of national importance such as:

- Financing Sustainable Development Goals
- Natural Capital conservation
- Circular Economy
- Electric mobility

YES BANK is member of key national and global alliances including the India GHG Program, TERI Council for Business Sustainability, CII Climate Change Council and Natural Capital Finance Alliance.

The Bank continues to be a signatory and supporter of key protocols and global alliances focused on climate action and sustainable development, including the UNEP FI, Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Climate Action in Financial Institutions Initiative and Financial Stability Board's Taskforce on Climate-related Financial Disclosure recommendations.

Positive Community Impact, Today

India as a developing, 1.3 billion strong nation requires massive investments of up to USD 2.5 trillion to fulfill its Sustainable Development Goals (SDGs) by 2030. Apart from financial commitments, YES BANK believes that a participatory approach enables the power of coalition and drives accelerated social impact, securing the most basic needs for a vast majority of the population. Guided by its four-pronged approach to 'Promote, Invest, Engage, and Collaborate & Monitor', YES BANK has helped develop innovative CSR models to bring a positive change to the lives of vulnerable and marginalized communities. In 2017-18, through its flagship branch-led community engagement program, YES Community touched:

3.21 mn Lives

12,764 Activities

With an aim to make India's MSME sector sustainable and globally competitive, the Bank's unique CSR program has supported 18,544 MSMEs across 14 states and 17 sectors through focused interventions in energy efficiency, occupational health and safety and financial literacy.

YES FOUNDATION, the social development arm of YES BANK, continued to catalyze the social development ecosystem through an enhanced impact model of its flagship program, YES! i am the CHANGE, by setting up a grant for non-profit organizations and social enterprises. Additionally, the grantees will receive accelerator support for a period of three years. It's Media for Social Change Fellowship program was expanded to three cities, developing 213 socially conscious youth leaders supporting 101 non-profit organizations. YES BANK is spearheading the future of sustainable finance in India through the Responsible Banking vision, which is to be the benchmark financial institution for sustainability and inclusivity.

SAY YES TO GROWTH!

Journey of a homegrown brand

The YES BANK brand continues to evolve to reflect the changing business dynamics and organizational imperatives, and its underlying communications and initiatives reflect the organizational mind-set of bringing the future to the present.

YES FOR YOU

As a proud, homegrown Indian institution, YES BANK continues to drive the philosophy of 'INDIA bole YES!' that salutes the indomitable spirit of rising India and reflects the Bank's confidence and conviction in the inherent potential of India's economy.

Say YES to Growth! echoes the opportunities for growth for YES BANK and its stakeholders.

INDIA BOLE YES!

As a proud, homegrown Indian institution, YES BANK continues to drive the philosophy of 'INDIA bole YES!' that salutes the indomitable spirit of rising India and reflects the Bank's confidence and conviction in the inherent potential of India's economy.

Say YES to Growth! echoes the opportunities for growth for YES BANK and its stakeholders.

THE A.R.T. OF BRANDING

YES BANK has imbibed the spirit of A.R.T. in developing its brand as highly visible and relevant.

YES BANK has also supplemented these high visibility associations with focused on-ground initiatives which have helped translate the mindshare to a growing market share.

Such partnerships have helped in positioning YES BANK as a young, vibrant and a contemporary future-ready brand. Through its sustained, business-driven marketing efforts, the YES BANK brand is leading the charge to make the Bank truly future ready.

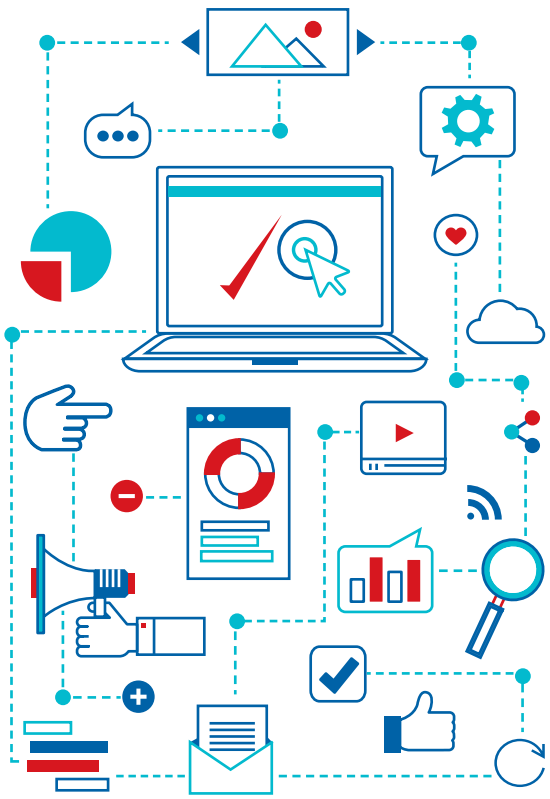
The Bank's high impact brand partnerships like the Indian Premier League, ET Global Business Summit, Kidzania etc. have helped achieve massive reach and made YES BANK a household brand and has deepened our mindshare.



LEADERSHIP IN SOCIAL MEDIA

Social media has become a crucial channel for brand communication. From brand awareness to business development, social media channels have emerged as a useful platform to create and engage with communities across CXOs of India Inc., startups including Fintechs, MSMEs and retail customers.

YES BANK has strengthened its position on social media with the launch of India's first full-service Chatbot – YES ROBOT – to enable conversational payment transactions using YES BANK savings account.



As per The Financial Brand, YES BANK is the highest followed Banking Brand in the world on Twitter.

YES BANK continues to be the most followed banking brand in India on Instagram and the second-most 'liked' banking brand in the world on Facebook.

The Bank has conceptualized multiple award-winning campaigns during FY 2017-18, driving customer engagements and awareness to help build a stronger brand.

According to The Financial Brand (March 2018), YES BANK is:

3.3 mn+
Followers – Highest followed Global Bank Brand on Twitter

640k+
Followers on Instagram

7.3 mn+
Page Likes – 2nd highest Liked Global Bank Brand on Facebook

NON-EXECUTIVE CHAIRPERSONS



Mr. Ashok Chawla
October 30, 2016 - till date



Ms. Radha Singh
October 30, 2014 - October 29, 2016



Mr. M. R. Srinivasan
June 27, 2013 - June 26, 2014



Mr. S. L. Kapur
January 2009 - April 2012



Late Mr. Ashok Kapur
September 2004 - November 2008

BOARD OF DIRECTORS



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



Mr. Ajai Kumar
Non-Executive Non-Independent Director



Mr. Brahm Dutt
Independent Director



Ms. Debjani Ghosh
Independent Director (resigned on April 26, 2018)



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



Dr. Pratima Sheorey
Additional Director (appointed on April 26, 2018)



Mr. Rentala Chandrashekhar
Additional Director (appointed on April 26, 2018)



Mr. Saurabh Srivastava
Independent Director (retired on April 22, 2018)



Mr. Subhash Chander Kalia
Additional Director (appointed on April 03, 2018)



Mr. Vasant V. Gujarathi
Independent Director



Mr. Rana Kapoor
Managing Director & CEO

MANAGEMENT TEAM



Ajay Rajan
Group President



Amit Sureka
Group President



Amit Kumar
Group President



Amit Sanan
Group President



Amresh Acharya
Group President



Arun Agrawal
Group President



Ashish Agarwal
Senior Group President



Asit Oberoi
Group President



Deodutta Kurane
Group President



Devamalya Dey
Senior Group President



Kapil Juneja
Group President



Kumar Padhmanabhan
Senior Group President



Namita Vikas
Group President



Neeraj Dhawan
Group President



Nikhil Sahni
Group President



Nirav Dalal
Group President



Parag Gorakshakar
Group President



Pralay Mondal
Senior Group President



Punit Malik
Group President



R. Ravichander
Group President



Raj Ahuja
Group President



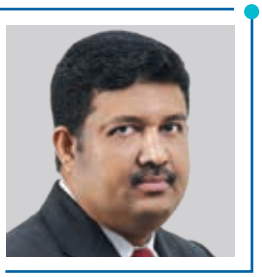
Rajan Pental
Group President



Rajat Monga
Senior Group President



Rajiv Anand
Group President



Sanjay Nambiar
Group President



Shubhada Rao
Group President



Sumit Gupta
Group President



Vinod Bahety
Group President



Shivanand Shettigar
Senior President & Company Secretary

SUSTAINIBILITY REVIEW

Sustainability Disclosures 27

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YES BANK'S TRIPLE BOTTOM LINE REPORTING APPROACH

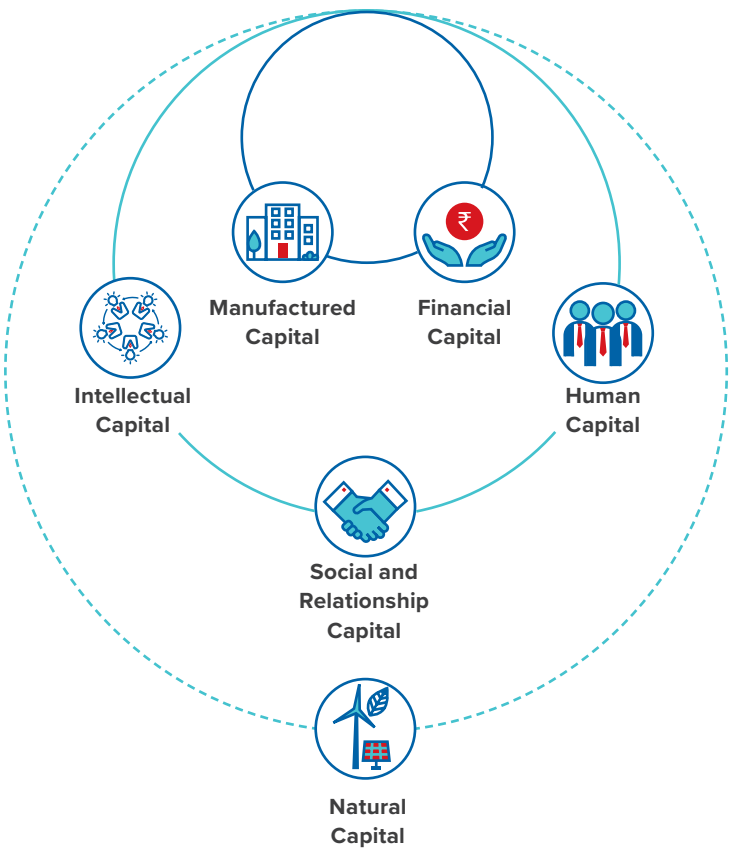
In its quest to achieve the vision of building the 'Finest Quality Large Bank of the World in India', YES BANK has been creating shared value through the ethos of Responsible Banking. Staying ahead of the curve, the Bank has led sustainability within the banking sector by expanding the focus from a discreet standalone Environmental and Social strategy to a holistic sustainable corporate strategy. With a perspective on economic, social and environmental aspects, which are material to the Bank's strategy, YES BANK has endeavored to address global development challenges by embracing new opportunities through innovative models.

As triple bottom line accounting becomes mainstream, the Bank through this report shares a consolidated view of its performance as well as its ability to create and sustain key stakeholder value. Since FY 2015-16, YES BANK has adopted an integrated reporting framework of the International Integrated Reporting Council (IIRC), which enables the Bank to highlight the connections between its financial and non-financial performance.

The resources and relationships used and affected by an organization collectively referred to as 'the capitals' in this framework, represent the crux of the integrated approach. These capitals comprise financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital.

This disclosure is structured using the capitals model of value creation, adopted by the International Integrated Reporting Council (IIRC) in the International <IR> Framework.

It explains the Bank's dependence and impact on the forms of capitals that are fundamental to its ability to create long-term value.



BUSINESS OVERVIEW

YES BANK's Value Creation Strategy

As a public trust institution, YES BANK believes that its innovative and inclusive approach towards stakeholder engagement and collaboration has enabled it to amplify the impact of its organizational activities, both nationally and internationally.

	Financial Capital	Human Capital	Social And Relationship Capital
WHAT	• As a scheduled commercial bank, YES BANK seeks deposits from customers and raises funds of its own to create the pool of capital that it lends • The Net Interest Margin between the Bank's borrowing and lending contributes to the Bank's profits, which includes other income, such as commissions and brokerages • The accrued financial capital is given as dividend to shareholders, interest on debt instruments, or ploughed back into the Bank	• The Bank aspires to be the 'Professionals' Bank of India', aligned with its ethos of professional entrepreneurship • Human Capital engagement is targeted at developing the brand as a 'Preferred Employer of Choice' • YES SCHOOL OF BANKING has been Institutionalized in 2007 as a Center of Excellence for learning solutions in Banking and related areas	• Incorporated the ethos of 'Responsible Banking' through which it has been mainstreaming sustainable development and aligning it with core business strategies • Responsible Banking approach has enabled the Bank to create stakeholder values through unique projects with scalable and sustainable impact • Works closely with unbanked and under-banked communities to raise their financial literacy and provide access to capital • Committed to bringing access to safe and clean drinking water to 100 million lives
HOW	**The Bank has in place strong fiduciary and corporate governance oversight over its entire operations, which operate in a highly regulatory environment**	**To engage its growing workforce, YES BANK follows the 5 C's Engagement Model -Culture, Career Communication, Connect & Care**	**The Bank's Responsible Banking ethos is driven at the highest level by the Board, including the Managing Director & CEO**
OUTCOME	• Net income grew by 26.9% year-on-year to ₹4,226 crore • Balance Sheet size as on March 31, 2018 is ₹312,445.6 crore, growing by 45.3 % over March 31, 2017 • 21 lakh families reached at the Bottom of the Pyramid (BOP) through Inclusive & Social Banking • First and the only Indian bank to be in the DJSI Emerging Markets Index for 3 consecutive years (2015 – 2017)	• Employee strength as on March 31, 2018 was 18,238 • 7,28,605 hours spent on employee training • YES School of Banking is the first and only Learning & Development function in the Indian banking sector to achieve Dual Certifications in ISO 9001:2008 & ISO 29990:2010	• Sole arranger and subscriber to India's 1st Social Affordable Housing Bond for ₹1,000 crore • 32,15,644 lives touched through Branch-led YES COMMUNITY activities in 2017-18 • 4,09,24,800 lives touched through Livelihood and Water Security initiatives in 2017-18 • 943 lives impacted through various initiatives under YES STEADY in 2017-18



Intellectual Capital

- Unique knowledge – based approach to provide customers with information rich customized solutions
- Through Responsible Banking ethos, the Bank strives to be a thought leader to establish a case for sustainable development at the highest level – both national and international
- Branding strategy revolves around 'YES', underlining the twin ethos of service and trust, and the promise to deliver a superlative banking experience

The Bank has forged ties with national and global thought leaders to produce thought pieces aimed at positively impacting the industry and policy

- The Bank provides knowledge driven banking solutions to its Business Banking clients through customized solutions and key domain-specific knowledge reports
- YES BANK is ranked amongst the Top 5 Most Social Banks by The Financial Brand
- Over 3.3 million followers on Twitter 7.7 million Facebook fans by March 31, 2018



Natural Capital

- India's first ISO 14001: 2015 certified bank
- Targeting to mobilize USD 5 billion towards climate action by 2020, as part of its COP21 commitment
- Committed to mobilize USD 1 billion for solar projects by 2023, and USD 5 billion for solar projects by 2030
- Committed to planting 2 million saplings towards carbon sink by 2020
- Targeting emissions intensity reduction by 10% year-on-year
- Promote environmental sustainability for MSMEs through CSR initiative, 'Say YES to Sustainable MSMEs in India'

Through its Environment and Social Policy, the Bank has integrated environmental and social risk assessment into its overall credit risk framework

- 1,264.96 MW of clean energy exposure as on March 31, 2018
- Partnered with NHAI for greening of highways
- Specific emissions for FY 2017-18 have reduced by 1.35% to 1.79 tons of CO_2e per FTE
- CSR initiative for MSMEs benefited 28,454 workers and 18,544 MSMEs, helping them eliminate an estimated over 13,500 tons of CO_2e in FY 2017-18



Manufactured Capital

- Retail banking operations across India, backed by national & regional offices and delivery centres
- The Bank's registered office and corporate headquarters are based in Mumbai
- Focuses on establishing a 'Digical – Digital + Physical' infrastructure to achieve size and scale, with action & quality as a large bank in India
- Manages its supply chain and procurement practices to improve efficiencies and lower costs

The Bank has focused on creating a fine blend of offline and online channels to reach out to and service its customers, and gain market share

- 1,100 branches pan-India and 1,724 ATMs
- Two National Operating Centers in Mumbai and Gurgaon and one Central Customer Services Delivery Excellence Center in Chennai
- In 2016-17, the Bank launched the Supplier Code of Conduct and conducted a Sustainable Procurement Workshop

YES BANK'S SUSTAINABILITY APPROACH

YES BANK believes that as a financial institution, there is an inherent need to play the role of a catalyst in India's development agenda. The Bank has been able to establish strong alliances and amplify its sustainability impact both within and outside the organization, leading to the realization of first-of-many sustainability initiatives.

YES RESPONSIBLE BANKING

Responsible Banking is a key differentiator of YES BANK and remains one of the six strategic pillars of the bank along with Trust, Transparency, Knowledge, Technology and Human Capital. The vision of Responsible Banking is for YES BANK to be the benchmark financial institution for inclusivity and sustainability. The Bank's goal is to positively impact and contribute towards the overall sustainable development mandate, while simultaneously ensuring sustainable business growth. This integrated approach has resulted in increased alignment to strategic sustainability goals and value creation.

YES BANK creates stakeholder value in multiple ways. While some may manifest in financial value, others bring about more intangible benefits and value creation in terms of natural, human, social, or intellectual capital.

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

YES BANK was selected in the prestigious Dow Jones Sustainability Indices (DJSI) – Emerging Markets Index, for the third year in a row in 2017. The Index comprises 91 companies from 14 emerging economies, which were selected after a rigorous assessment on over 600 data points in the Economic, Social and Environmental dimensions. YES BANK is the only Indian bank, among 49 global banks, to be included in DJSI.

MSCI 2017 Constituent MSCI SRI Indexes

MSCI 2017 Constituent MSCI ESG Leaders Indexes

In 2017, YES BANK made it to the MSCI All Country World Index (ACWI) – ESG Leaders Index and MSCI ACWI SRI Index. YES BANK is among the top 12% of the global financial industry on Environmental, Social & Governance (ESG) performance and highest compared to the top 10 largest banks globally. The rating is an endorsement of the Bank's 360-degree risk framework that integrates ESG factors into its overall risk-assessment framework.

FTSE4Good

In the reporting period, YES BANK was selected as an index constituent of the FTSE4Good Emerging Index. The selection into FTSE4Good highlights YES BANK's sectoral leadership in environmental, social and governance (ESG) performance. YES BANK was rated above the threshold for companies in emerging as well as developed markets by FTSE Russell.

FINANCIAL CAPITAL

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

₹ 312,445.6 Cr
Balance Sheet

₹ 13,281.72 Cr
Remitted through YES MONEY

₹ 4,224.6 Cr
Net Profit

₹ 21 Lakh
Families impacted through YES LEAP

HIGHLIGHTS OF FINANCIAL PERFORMANCE

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

Particulars	FY 2017-18 ₹ in '000	FY 2016-17 ₹ in '000	Remarks
Economic Value Generated			
Revenues	254,912,551	205,814,006	P&L Account, Annual Report 2017-18
TOTAL	**254,912,551**	**205,814,006**	A
Economic Value Distributed			
Operating costs#	30,238,599	23,114,977	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2017-18
Employee wages and benefits	21,889,199	18,050,433	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2017-18
Payments to providers of capital	130,791,725	106,278,032	Annexure A
Payments to Government	20,814,834	17,141,161	Annexure B
Community Investments	452,100	416,600	Annexure 1, Directors' Report, Annual Report 2017-18
TOTAL	204,186,457	165,001,203	B
Economic Value Retained*	**50,726,094**	**40,812,803**	A-B
ANNEXURE A			
Interest on deposits	93,834,137	82,040,497	Schedule 15 – Interest Expended, P&L Account, Annual Report 2017-18
Interest on RBI/ Inter-bank borrowings/ Tier I & Tier II debt instruments	29,840,501	22,242,771	Schedule 15 – Interest Expended, P&L Account, Annual Report 2017-18
Others	1,628,986	1,990,099	Schedule 15 – Interest Expended, P&L Account, Annual Report 2017-18
Dividend paid for last year	5,488,101	4,665	P&L Account, Annual Report 2017-18
Payments to providers of capital	**130,791,725**	**106,278,032**	
ANNEXURE B**			
Provisions made for income tax during the year	19,697,457	17,140,211	Schedule 17 – Provisions & Contingencies, Annual Report 2017-18
Tax on Dividend paid for last year	1,117,377	950	P&L Account, Annual Report 2017-18
Payments to Government	**20,814,834**	**17,141,161**	

* Calculated as per the GRI 201 Standards
Excluding Employees Wages and Benefits, which has been shown separately
** Only includes the taxes shown in the Bank's Statements of Accounts in its Annual Reports for 2017-18 and 2016-17, and does not include all the payments to government made by the Bank
N.B. YBL reported Proposed Dividend and the Tax (including surcharge and education cess) on Dividend as a part of Appropriations in Profit & Loss Statement till FY 2015-16. However, this was revised, and the Proposed Dividend was not accounted for as a liability according to Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 31, 2016. Please refer to Schedule 18.5.1.2 of the Annual Report 2017-18

A detailed Business Segment overview is presented as part of the 'Management Discussion and Analysis' section on pages 79-111 of the Annual Report for 2017-18.

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

INCLUSIVE & SOCIAL BANKING

Since inception, YES BANK has focused on 'inclusive growth' for the emerging New India by introducing products and services for rural and urban India. It has fostered key partnerships to amplify its impact.

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

ISB reaches out to the financially marginalized by leveraging the Bank's extensive branch network, technology edge and relationship capital in the public, private and social sectors. Using sophisticated financial tools and advanced technologies, the unit offers solutions that include direct micro-credit, micro saving and micro insurance and remittance services across various geographical and socio-economic contexts in India.

Through YES LEAP, the Bank's flagship Self Help Groups (SHG) lending program and YES Joint Liability Group (JLG) program, it has financed over 3,56,000 groups, spanning 260 districts. This program has enabled the Bank to directly reach over 21 lakh families in rural and semi-urban India. YES SAHAJ, an award-winning technology solution platform based on the RBI's Business Correspondent (BC) model, offers safe and secure, doorstep banking services, using low-cost technology. Through these programs, YES BANK has cumulatively financed over ₹6,500 crore.

Towards creating a multiplier effect through larger collaborations, YES BANK appoints Business Correspondents, such as NBFCs (Non-Banking Financial Company), allowing the Bank to scale up its product and service offerings for people at the bottom of the pyramid (BOP).

YES LEAP

YES LEAP (Livelihood Enhancement Action Program) is the Bank's innovative version of the SHG Banking Linkage program. Under LEAP, YES BANK partners with credible non-governmental organizations (NGOs) /private institutions and appoints them as Business Correspondents (BC) providing its banking services through them, allowing the Bank to scale up its product and service offerings for BOP.

YES LEAP is currently partnering with 17 BC partners, including Self Help Promoting Institutions and NBFCs to provide comprehensive financial services to SHGs in India's 153 districts. The program is reaching out to over 32,000 predominantly rural households.

To enhance the impact and delivery mechanisms of YES LEAP, Ganaseva – a Semi Automated Loan Origination and Loan Management System was launched this year. It offers flexibility to build adequate regulations and required risk controls, along with end-to-end loan processing. KEYES, a business intelligence tool is also augmenting Ganaseva, to enable real-time tracking of all activities in the system. The tool will also provide high quality and informative reports with data analytics. In line with the Bank's digital focus, a tablet-based solution was launched to facilitate digital tracking of payments and receipts, record videos of SHG meetings and play health and hygiene messages.

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

YES JOINT LIABILITY GROUP

The YES Joint Liability Group (JLG) is an initiative to provide banking services to the BOP in rural, semi-urban and urban India. It is based on the Joint Liability Group methodology, wherein term loans are provided to individual members of a JLG, focusing on income generation. Through YES JLG, the Bank provides financing, through its partners, Non-Banking Financial Companies (NBFCs) and MFIs. Its wide network enables it to reach the disadvantaged sections of society, who are mostly financially excluded. The program, launched in March 2015, reached 5,68,136 Joint Liability Group members via a network of 17 business correspondents as on March 31, 2018.

YES SAMADHAN

The Bank developed YES Samadhan to meet the production and post-production credit requirements of farmers in a timely and hassle-free manner. It enables farmers to purchase agricultural inputs and machinery (seeds, fertilizers, pesticides, tractors and power tillers) to meet their cultivation and consumption needs.

Through this initiative, a farmer is offered a complimentary Rupay Kisan Card allowing the farmer to draw the facilities at his/her convenience from the ATM.

The product is currently offered in 8 major states of India across ~200 rural branches.

The Bank also offers customized savings account with unique features of average yearly balance, customized to the uneven cash flows of the farming community. Additionally, farmers are also offered crop insurance, under Pradhan Mantri Fasal Bima Yojana, to provide protection against uncertain natural risks at minimal premium.



YES SAHAJ

YES BANK had launched YES SAHAJ in 2011 to take basic banking to India's farthest corners. It is also developing innovative solutions to overcome the limitations of traditional, brick-and-mortar banking.

YES SAHAJ is an innovative, low-cost, micro-ATM, leveraging technological innovation within existing principles of mobile banking, and the RBI's BC Model, to offer basic banking to India's rural hinterland. It is a cost-efficient alternative to hand-held devices, which allows real-time, on-field reporting of repayment collection and savings amount of SHG and JLG members. It enables centralized monitoring, making it a key platform for remittance operations.

YES KHUSHI – AFFORDABLE HOUSING

Industry estimates state that there is an overall urban housing shortage of ~19 million units in India, of which over 90% of the demand comes from the Low Income Group (LIG) segment and Economically Weaker Section (EWS). One of the other primary reasons apart from unavailability of affordable houses, is the unavailability of proper access to financial resources for buying and constructing houses for the EWS / LIG segment.

In line with the Government's Pradhan Mantri Awas Yojana (PMAY) program, in 2016 YES BANK launched the YES KHUSHI Affordable Home Loans product suite. It is designed to address the gap in the market. The product, while fulfilling the housing dream of EWS / LIG segment, is closely knit with robust risk-management tools to mitigate the credit risk specific to the LIG segment. YES KHUSHI Home Loans has partnered with 500+ builders across India's 35 cities and towns. YES BANK is also empanelled with the National Housing Bank (NHB) for dispensation of the housing loan subsidy under the PMAY scheme to help customers avail this subsidy scheme.

MICROFINANCE BANKING

YES BANK promotes microfinance as a new asset class, widening access to capital through a two-pronged strategy involving the Microfinance Banking (MFB), and mainstreaming BOP clients through ISB. The Bank extends these services through 36 major clients, which are essentially Microfinance Institutions (MFIs) spanning 22 states. A detailed overview of the unit is provided on page 93 of the this report

AGRI PRODUCT MANAGEMENT

YES BANK's Agri Product Management (APM) unit has experienced banking and industry professionals with in-depth knowledge of the priority sector to deliver efficient and customized banking solutions to the core agri sectors.

A detailed overview of the activities of APM unit is provided on pages 93 of this report.

GENDER AND MSME FINANCING



(L-R) Dev Jagadesan, Acting President and CEO, OPIC, Arun Agrawal, Group President, International Banking, YES BANK, and Thomas D. McCaffery, Executive Vice President, Wells Fargo Bank signing the agreement for the USD 400 million credit line

SMEs contribute about 45 percent of industrial output and employ 42 million people in India. An estimated 3 million women-owned businesses in India employ over 8 million people. However, only about a quarter can get the finance they need to grow and create jobs.

To address this financing gap, YES BANK partnered with the Overseas Private Investment Corporation (OPIC), the U.S. Government's Development Finance Institution, and Wells Fargo on an agreement to increase lending to micro, small and medium enterprises (MSMEs) in India. Under the agreement, OPIC provided USD 75 million in financing and up to USD 75 million in syndicated financing jointly arranged by Wells Fargo Bank and OPIC to YES BANK.

Specifically, USD 50 million of the financing is being used to expand support to women-owned businesses, while

another USD 50 million is being utilized for financing MSME businesses in low-income states. This was the third such transaction between OPIC and YES BANK after the first transaction of USD 265 million OPIC facility in 2016, towards India's MSME financing.

DIGITAL BANKING

YES BANK's digital focus has helped ensure transaction ease, acquiring and retaining customers by creating value for them. The Bank has been working on disruptive technologies and frugal innovations to ensure inclusion of feature phone users and change the way customers make payments.

The size and volume of digital banking transactions done through YES BANK's products and services continue to scale up rapidly in FY 2017-18. The number of mobile banking transactions rose from approximately 23.91 lakh in FY 2016-17 to over 68.37 lakh transactions in FY 2017-18, a significant jump of over 186%; with over 4.72 lakh active mobile banking users in the last 3 months. Similarly, transactions on the Bank's retail net banking channel rose to almost 1.80 crore from 1.25 crore in the previous year, over 44% growth. Also, the number of active net banking users in the reporting period almost doubled to 8.44 lakh.

YES BANK has created a unique, sustainable and scalable product – Aadhaar Enabled Payment System (AEPS) – a breakthrough, yet simple, innovation that was conceptualized and developed to provide simple, easy-to-use and convenient 24X7 banking services on the go. AEPS is aimed at encouraging greater use of electronic payments by bringing down paper-based transactions, increasing the usage of digital channels, and bolstering mobile banking use. The unique program offers 24x7 access to finance to all individuals with their Aadhaar number (India's Unique Identification number) and biometrics. Since its launch in November 2017, over 51 lakh transactions have been recorded through AEPS.

Given that brick-and-mortar branches continue to attract customers seeking personalized services or advisory, transforming such traditional channels into digital and self-service branches was also the Bank's key focus area. To this effect, the Bank also launched YES Robot, an artificially intelligent chat-bot to help customers with their queries 24x7 this year.

In a pioneering initiative, YES BANK partnered with municipal corporations of various Smart Cities to enable a move towards a less-cash economy. By leveraging Unified Payment and Identification (UPI) mechanism combined with contact and contactless card technology, the Bank developed simple and seamless solutions for residents and visitors of these Smart Cities. The Bank rolled out a 'RuPay' co-branded prepaid card, along with municipal corporations, to make payments for groceries, utility bills, local transport, healthcare, education, e-commerce and entertainment.

The Bank digitized the payments for government services (G2C) conducted at various smart city Citizen Facilitation Centers (CFC) through this product. These digitized payments reduce cash-related issues and help avoid long queues at municipal offices and the need to carry multiple identification cards.

During the year, YES BANK also worked on a comprehensive ecosystem for merchant payments, with the launch of a mobile app. The objective was to reduce the need of an expensive Point of Sale (POS) device at merchant's outlet. The app enables merchants to accept cashless payments from residents through QR/Bharat QR, UPI and mobile payments.

YES MONEY

Since its launch in 2011, YES MONEY, the Bank's award-winning, innovative domestic remittance platform has cumulatively remitted close to ₹29,070 crore in domestic remittances.

YES MONEY operates on the custom-built, multi-platform Remittance Knowledge Bridge, which synergizes India's vast spread of hyper-local family owned stores into being full-fledged, secure BC partners of the Bank. This strategy helps meet the remittance needs of millions of unbanked and under-banked population in India. YES MONEY takes advantage of India's deep penetration of mobile telephony to provide a hassle-free, digital, low-cost and customer-friendly service. YES MONEY has had a significant impact by offering ease of remittance, saving millions of working hours of migrant population and resulting is fewer number of trips to a bank branch – thus making money transfers hassle-free.

YES MONEY	FY 2017-18	FY 2016-17	FY 2015-16
Number of Business Correspondents[1]	28	38	27
Number of transactions done (lakh)[2]	410.58	124.72	95.67
Total value of transactions (₹ in crore)[2]	13,281.72	4,558.59	4,080.52
Number of Unique senders (lakh)[2]	20.49	17.18	14.98

[1] Cumulative as on March 31, 2018 [2] For FY 2017-18

Details on other digital banking initiatives and achievements are available on pages 12, 84-85 of this report.

SOCIAL & RELATIONSHIP CAPITAL

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

3.2 million+
Lives touched through YES COMMUNITY

943
People provided skills

40 million+
Lives provided access to safe & clean drinking water

28,454
MSME workers trained

POSITIVE IMPACT INITIATIVE – YES COMMUNITY

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

YES BANK's branches endeavor to be community transformation centers extending interactions beyond the transactional value. Through this program, the Bank fosters meaningful partnerships with its stakeholders, including community groups, non-profit organizations, governments, corporate peers, and civil society.

In FY 2017-18, YES COMMUNITY continued its focus on delivering sustained on-ground impact in line with the United Nation's Sustainable Development Goals. During the year, the program impacted 32,15,644 lives through 12,764 pan-India initiatives. Going forward in FY18-19, the Bank targets to reach 5 million lives. Key programs initiated under YES COMMUNITY comprise:

ENVIRONMENT SUSTAINABILITY

To sensitize communities about environmental protection, YES BANK launched the 'Reduce, Reuse & Recycle' campaign. It comprises Sustainable Development Goals (SDGs) Literacy and environmental conservation workshops, E-waste collection drives, sensitization of waste management within housing societies and 'Trash to Cash' competitions for students.

To raise awareness about the impact of plastic on beaches, on the eve of the World Environment Day, 500+ YES BANK employees came together in partnership with the United Nations Environment Program (UNE) to support Advocate Afroz Shah; and participate in the world's biggest beach clean-up operation at Versova beach, Mumbai. Over 2,000 volunteers joined the Bank to remove 160 tons of garbage from the beach. The Bank also planted 50 coconut trees at the beach to mark the day.



Community volunteers at the beach clean-up operation by YES BANK and United Nations Environment (UNE) at Versova beach, Mumbai

EDUCATION AND EMPLOYABILITY

Financial literacy of the communities in which it operates remains the Bank's key focus area. As a part of this initiative, on World Youth Skills Day, in partnership with Salaam Bombay Foundation, a Financial Literacy field visit for over 200 children across seven schools was conducted.

The children had the opportunity to visit a YES BANK branch near their school and learn the basics of banking. This included functioning of a bank, different types of accounts, education and home loans, withdrawal and deposits, drawing up cheques and demand drafts to give them the insight of banking as a career.

With technology gaining prominence, digital financial literacy is critical for YES BANK in its role as a responsible

financial institution. Through the impactful platform provided by YES COMMUNITY, the Bank conducted workshops for students, youth and senior citizens, focusing on raising digital financial literacy and awareness during the year.

The Bank felicitated over 4,000 meritorious students as 'YOUNG ACHIEVERS' for their exceptional performance in 10th and 12th standard Board examinations in 500+ schools and colleges. The objective was to build a strong and sustainable knowledge economy.

To improve knowledge access for disadvantaged students, YES BANK in association with the Rotaract, organized a book donation campaign 'Donate a Book and Educate a Child'. In its second year, the campaign collected and distributed over 400 books.

The Bank also conducted Sustainable Development Goals (SDGs) literacy workshops across five schools in Delhi, impacting 1,309 students. The workshops were conducted by Synergie as part of the program 'Future is NOW', jointly run by Synergie and UN Global Compact Network India.

The interactive and activity-based workshops were focused on creating awareness on SDGs and how students can bring about a positive change through simple actions in daily life. The program, aligned to 'Green Good Deeds' campaign, was launched by Ministry of Environment, Forests and Climate Change (MoEFCC).



Students geared up to embrace the future and actualize Sustainable Development Goals (SDG) after an activity at North Delhi Municipal Corporation Utkrisht Vidyalaya, Delhi

HEALTHCARE AND SOCIAL WELFARE

The importance of health and wellness was propagated by the Bank on International Yoga Day with a pan-India campaign to conduct Yoga sessions in parks and school grounds. The program focused on benefitting senior citizens and youth. It also sensitized the participants on the importance of yoga for a happier and healthier lifestyle. Under the theme of 'Health, Lifestyle and Wellness' programs like expert talk on women's health, walk for wellness, stress management and cyclothons were conducted across India.

SCALING UP YES COMMUNITY IMPACT

LIVELIHOOD & WATER SECURITY

In concurrence with SDG 6, Clean water and sanitation, YES BANK believes that access to safe and clean drinking water is critical. It aims at providing affordable solutions for access to safe and clean drinking water in urban, semi-urban and rural communities. YES BANK formulated a community focused intervention under its focus area of Water & Livelihood Security initiative in 2014.

In the first stage of the project, YES BANK partnered with 'Livinguard', a social start-up with an innovative, cloth membrane-based water purification technology. It requires zero electricity and no chemical dosing for the purification process and results in zero-water wastage. In FY 2014-15, the initiative led to the deployment of 9,000 household water filters and five community water purifiers. The Bank also installed water purification systems at 150 community centers at select locations in Maharashtra, and achieved an additional deployment of 1,558 household water purification systems.



Rana Kapoor, Managing Director & CEO, YES BANK with Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra at the inauguration of Phase I of National Cancer Institute project

As a part of scale up, on the occasion of COP21 in December 2015, YES BANK committed to touch 100 million lives through its safe and clean drinking water program by 2020. In line with this commitment, YES BANK, in FY 2015-16, joined hands with the Indian Railways to provide safe and clean drinking water at 1000 railway stations across India by 2019. In the first phase, the Bank set up 100 such water purification systems across 'D' and 'E' category railway stations in the Konkan belt and other locations in Maharashtra in 2015-16.

In the second implementation phase in FY 2016-17, YES BANK provided access to safe and clean drinking water at 192 more railway stations in Maharashtra. Through this intervention, the Bank has touched over 5 crore lives in the preceding two years. Expanding upon its current partnerships, YES BANK has installed water purification systems at 405 'D' & 'E' category railway stations in

FY 2017-18 in partnership with Central and Western Railways providing access to safe and clean drinking water to over 40 million lives.

Additionally, the Bank has partnered with WaterHealth India and Delhi Jal Board to install water ATMs and community water centers in Delhi's urban slums. The water would be available at nominal prices at these ATMs, and through this unique initiative livelihood would be provided to the ATM operators.

The drinking water solution interventions by the Bank has provided access to safe and clean drinking water impacting over 90 million lives in the past three years and dispensed over 16 million litres of filtered water.

In FY 2017-18, the Bank also partnered with National Cancer Institute, Nagpur to provide safe and clean drinking water throughout the facility. As part of the Phase I rollout, YES BANK installed a 20,000 litres per hour capacity, primary filtration plant for first-level groundwater treatment and would also set up water filtration units at 18 locations and 16 water coolers in public spaces and staff areas to serve the main hospital building. These installations are estimated to provide safe and clean drinking water to more than 1,000 beneficiaries, daily.

As a best practice, YES BANK attempted to quantify the value of impact created by the initiative for FY 2016-17. The impact value was measured using the principle-based method called the Social Return on Investment (SROI). A comprehensive analysis of inputs from the stakeholders including the Indian Railways, the outputs achieved, and the corresponding outcomes, indicates that the project has generated a Net SROI of 7.43. In other words, the net social return generated by the project is 7.43 times the value of the inputs invested by the stakeholders.

SKILL DEVELOPMENT THROUGH YES STEADY

YES BANK launched YES STEADY (Skills Training and Enhancement for Development of Youth) in 2014 to provide employability training to youth through targeted skill building initiatives. The Bank had partnered with Deshpande Foundation to provide employability training to youth in Karnataka and Telangana. The program aims at training and employment of 4,500 students. Till FY 2016-17, 3,013 students were inducted and have undergone skill training under various focus sectors, such as agriculture, accountancy, electrical works, BPO & soft skills and primary teachers training. FY 2017-18 was the last phase of this training program where 1,918 students were inducted, 943 students were trained and 716 were placed till March 31. The program has had a significant impact on the lives of these youth, with a significant number opting for higher education, and thereby being able to earn or start a business of their own independently.

In addition, YES BANK signed an MoU with Manav Sadan Vikas Sanstha in 2017 to create a comprehensive and integrated program for training and skill up-gradation of underprivileged communities from urban and semi urban areas. The training programs would focus on providing skills and employability training to 1,500 youth/women of Mathadi workers community in Navi Mumbai. The training includes vocational traits such as beauty and wellness, fashion designing, tourist guides, driving and computer education.

SAY YES TO SUSTAINABLE MSMES IN INDIA

In FY 2014-15, YES BANK launched a first-of-its-kind CSR initiative for the MSME sector – 'Say YES to Sustainable MSMEs in India', to promote environmental sustainability and Occupational Health and Safety (OHS) among MSMEs in the manufacturing sectors. This is in partnership with Foundation for MSME Clusters (FMC) and Entrepreneurship Development Institute of India (EDII).

The project in FY 2017-18 impacted 18,544 MSMEs, benefiting 28,454 workers across 14 states and 17 sectors, including dyeing, rubber, plastic, painting, textile, rice mills, auto ancillaries, sports goods, pharmaceuticals, printing and packaging, travel and tourism, exporters and importers, Chemicals, Food Processing and Industrial Engineering through multifaceted interventions including:

- Workshops on promoting energy efficiency, renewable energy and cleaner technology
- Structured occupational health and safety interventions, including health camps, first-aid trainings, safety trainings
- Zero Defect Zero Effect (ZED) trainings to improve operational efficiency and minimize environmental footprint of MSMEs
- Financial literacy camps
- E-commerce trainings for offline SMEs

YES BANK targets to impact 1 lakh MSMEs through the MSME CSR project by 2020. As a best practice, YES BANK calculated the project's Social Return On Investment (SROI) in FY 2015-16. SROI is a principle-based method for measuring the extra-financial value of an initiative relative to the inputs invested. The project's SROI is calculated using internationally recognized framework of Social Value, UK. A thorough analysis of stakeholder inputs, outputs and corresponding outcomes was carried out.

For the project implemented in FY 2016-17, the net SROI was 12.51. In other words, the on-ground social impact generated by the project is 12.51 times the value of inputs invested. The major outcomes/impact includes:

- ~7.4 crore (₹) was saved by the MSMEs through YES BANK's energy efficiency CSR interventions*
- ~78.8 crore (₹) was saved by the MSMEs through YES BANK's OHS interventions*
- 9,338 hazardous incidents and health issues have been avoided*
- 11 working days have been saved for each employee, annually by increasing the operational efficiency and productivity*
- 93% of the benefitted MSME units are satisfied with YES BANK's CSR intervention^

*Calculated and extrapolated figures from stakeholder response.
^Based on stakeholder response.

ENVIRONMENT SUSTAINABILITY

YES BANK, in partnership with the National Highways Authority of India (NHAI), adopted a 40 kilometers stretch along the Mumbai – Nashik Highway (Gonde to Pimpalgaon) under the "Adopt a Green Highway" initiative of NHAI, for greening the highways through plantation of 14,559 trees and maintenance of total 45,462 trees for next 5 years. Through this commitment, YES BANK became the first Indian private sector entity to collaborate with NHAI and work towards the vision of creating green highways.

This project entails generation of sustainable livelihoods for local communities and development of carbon sink to help mitigate global warming and climate change effects. This endeavor will contribute towards achieving India's commitment to create an additional carbon sink of 2.5 to 3 billion tons of CO_2 equivalent by 2030 and YES BANK's COP 21 commitment to plant 2 million saplings by 2020. In FY 2017-18, YES BANK, in line with its commitment, has planted 11,426 trees along the Mumbai – Nashik National Highway.

LIVELIHOOD SECURITY

Agriculture is the only livelihood for two-thirds of India's population and provides employment to about 57% of the workforce in India. Despite remarkable success achieved due to green revolution, its potential is not being fully realized. YES BANK through its 'Digital and Financial Literacy Program for Farmers', launched an initiative this year to empower 10,850 farmers in 15 districts of Haryana and Rajasthan by providing training in Good Agricultural Practices (GAP), financial inclusion and digital literacy. The program is aimed at market awareness on money management and debt financing needs of farmers.

EMPLOYEE PAYROLL GIVING

YES BANK continues to partner with Give India for the payroll giving initiative for its employees. Employees registered under the program contribute a certain portion (decided by them) of their salaries every month, which can be donated to a cause of their choice. To ensure that 100% of the employee contribution is donated, the Bank pays for all the administrative charges to participate in the platform. During the reporting period, a total of over ₹34 lakh was received as donation from employees.

BUILDING AN EMPOWERED AND EQUITABLE INDIA

India's developmental challenges require innovative and inclusive solutions with a multiplier effect, addressing scale and impact. YES BANK drives this social transformation and mindset change through its social development arm, YES FOUNDATION. The initiatives aim to address the gaps in the development sector by strengthening Design and Innovation-led Creative Entrepreneurship solutions. The programs are designed to infuse innovation in the development sector and promote Media for Social Change, Youth Social Leadership, Sustainable Development Goals (SDGs) Communication and Social Entrepreneurship for India's social transformation.

YES! I AM THE CHANGE

YES! i am the CHANGE (YIAC), a nationwide mindset transformation program, was launched in 2013, to inculcate the spirit of responsible youth citizenship through the impactful medium of films. YIAC is a social film movement that engages the youth and organizations alike to make films about social challenges and changemakers, to disseminate best practices.

As part of the program, participants submit 3-minute films, depicting the work of an NGO, a Social Enterprise or an Everyday Hero. In 2016, it emerged as the World's Largest Social Film Movement with over 1.3 million participants and over 29,500 films. Additionally, YIAC films are part of an open repository of invaluable communication resources – over 34,000 films on SDGs for the use of NGOs. With the completion of 5 years of existence, YES FOUNDATION is poised to enter its next phase of growth with a deeper focus on impact.

The Foundation has commissioned an impact assessment study of the previous four editions of YES! i am the CHANGE Social Film Movement. In 2017, an enhanced impact model of YIAC was launched by setting up a grant fund for 25 NGO/Social Enterprises with sustainable and scalable social projects and capacity-building accelerator support for three years. Potential grantees will be

evaluated based on YIAC film entries. Some highlights of the program from previous years include:

- 97 Media for Social Change Workshops and Screenings for NGOs and youth were conducted pan-India to create a culture of communication and help participants make short social films
- The first phase of the program (the filmmaking challenge) received an overwhelming response of 29,805 registrations and 11,501 film submissions by NGOs, Social Enterprises and youth
- YIAC won Gold in the Asia Pacific Customer Engagement Forum & Awards (ACEF) 2017 as the Most Innovative Admired CSR Campaign
- YIAC was declared as the Best CSR Campaign (Gold) at the Fulcrum Awards 2017 in the Technical category
- YIAC entered the coveted Limca Book of Records as the Largest Social Filmmaking Challenge in India for the 3rd consecutive year

CHANGEMAKER PROGRAM

The Changemaker Program was launched to honor and support the projects of past participants of YIAC who went beyond filmmaking, developed innovative solutions and contributed towards social causes consistently.

Towards promoting responsible youth citizenship, eight youth-led social projects were commissioned that impacted over two lakh people. The projects include setting up 55 smart classroom facilities in Gujarat, Uttarakhand and Maharashtra, distributing 1,000 bicycles to underprivileged rural students in Maharashtra and Goa, and conducting adult literacy program (benefitting 1,000 adults) in Maharashtra. Eye check-up camps for treatment of over 10,000 patients in Gujarat and Rajasthan were also organized.

YES INNOVATE

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

YES FOUNDATION conducted one-day capacity building workshops on Effective Communications for NGOs across three cities – Mumbai, Bengaluru and Delhi. Over 200 NGO leaders and professionals from 164 NGOs participated in these workshops.

MEDIA FOR SOCIAL CHANGE FELLOWSHIP

To further enable and deepen youth social engagement, the YES FOUNDATION Media for Social Change Fellowship was launched in 2016. It is a high-impact program to develop socially conscious youth leadership supported by YES BANK in association with ISDI|WPP School of Communication. The fellowship promotes engagement with social issues and credible NGOs, to strengthen NGO communication and maximize their social impact.



Mumbai Cohort of the Media for Social Change Fellows

The two-month fellowship provides high potential youth between the ages 18 and-25 an opportunity for intensive and sustained engagement with social issues. The fellowship also offers regular capacity building trainings and structured seven-week placement with credible NGOs. The fellows are trained by industry leaders in a one-week intensive induction training on leadership, marketing, communications, digital and social media. This is followed by a seven-week, full-time placement in NGOs where fellows lead well-defined communication projects such as developing films, websites, social media campaigns, case studies and so on for NGOs.



Mumbai Cohort felicitation in presence of Prerna Langa, CEO, YES FOUNDATION, Bindu Rana Kapoor, Member, Governing Council, YES FOUNDATION, Arnab Goswami, Radha Kapoor Khanna and Namita Vikas, Group President & Global Head Climate Strategy & Responsible Banking, YES BANK

In 2016, for the inaugural edition, 45 youth were selected to be a part of the fellowship cohort from 922 aspirants across 166 cities and towns across India. They were placed with 19 credible NGOs, across Mumbai. In 2017, the second edition of the fellowship was scaled to 213 fellows placed with 101 partner NGOs across Mumbai, Delhi and Bengaluru. In 2018, the third edition will be scaled to 500 fellows placed with NGOs across Mumbai, Delhi, Bengaluru, Pune and Ahmedabad.

INTELLECTUAL CAPITAL

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

FIRST
Indian Bank to support TCFD Recommendations

3.3 million +
Twitter Followers

7.3 million +
Facebook Fans

THOUGHT LEADERSHIP

YES BANK, since its inception, has an institutional knowledge framework embedded in its organizational structure and strategy. It enables the Bank to provide its stakeholders with information rich customized solutions.

YES BANK has subject matter experts, who help develop detailed sector specific strategies for business augmentation, envisaging upcoming opportunities across major knowledge sectors recognized by the Bank.



GLOBAL ENGAGEMENT ON SUSTAINABLE DEVELOPMENT

YES BANK plays a leadership role in financing sustainable sectors in India and has shared its views and insights at various global events. The Bank brings together experts from Government, select financial institutions, private and institutional investors at these events and helped unlock financing solutions for projects aimed at realizing the SDGs. Some of the notable ones during the year include the high-level SDG Financing Lab organized during the 71st Session of the UN General Assembly; the UN Retreat on Sustainable Infrastructure Finance; the Institute of International Finance (IIF) Spring Membership Meeting and the 8th session of IRENA Annual Assembly.

The mission-critical topics that YES BANK presented and catalyzed discussions on include innovative business models to help achieve the SDGs; scaling up renewable energy investment globally; role of financial community in mobilizing finance for SDGs; policy instruments; and financial mechanisms to increase investments. The Bank also participated at the One Planet Summit in December 2017, where YES BANK became the first Indian bank to support the Task Force on Climate-related Financial Disclosures (TCFD).

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

NATURAL CAPITAL FINANCE ALLIANCE

In 2013, YES BANK became the first Indian signatory to the Natural Capital Declaration, a joint initiative of the UNEP FI and Global Canopy Program. It is now a part of the Natural Capital Finance Alliance (NCFA). As a signatory, the Bank remains committed to assemble an ecosystem that helps develop an appropriate regulatory framework, disclosure mechanisms and reporting measures to integrate, value, and account for natural capital. YES BANK has been re-elected unanimously as the Chair of the Steering Committee of NCFA thrice for overseeing NCFA's strategy and providing direction/oversight for the Working Groups and the Secretariat.

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

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

Namita Vikas, Group President & Global Head – Climate Strategy & Responsible Banking, YES BANK, has been elected to be a member of the Positive Impact Steering Group. The role involves chairing the initiative's quarterly meetings, defining and periodically reviewing the outreach strategy and validation of working group outputs. The Principles launched in 2017 by 19 leading banks and investors, including YES BANK provide guidance for financiers and investors to analyze, monitor and disclose the social, environmental and economic impacts of the financial products and services they deliver.

YES BANK actively participated at the UNEP FI Regional Roundtable (RRT) for Sustainable Finance in Asia Pacific in December, 2017 where it presented its work in the Natural Capital space. The Bank's knowledge report 'Natural Capital Mapping: Towards achieving SDGs in India' was highly appreciated by UNEP FI as forward-looking, yet pragmatic.

KNOWLEDGE REPORTS

YES BANK launched six knowledge reports in FY 2017-18:

- **Valuing Natural Capital: Applying the Natural Capital Protocol**
  The report arrives at monetary values for externalities to make it more relevant and easier for internal as well as external stakeholders for effective decision-making
- **Natural Capital Mapping: Towards Achieving SDGs in India**
  This report analyzes the contribution of forests towards sustainable development through an estimate of the true value of forests
- **Scaling SDG Finance in India**
  The report focuses on bridging India's financial gap to achieve SDGs by leveraging the interlinked nature of public, private and social sectors

- **FEWLing the Growth: Food Energy and Water Nexus for Livelihood Security in India**
  The report outlines a strategy-risk-return model for mainstreaming the food, energy and water nexus approach for optimum returns on livelihood security
- **Electric Mobility Paradigm Shift: Capturing the Opportunities**
  The report prepared jointly with TERI develops a six-point criterion to identify frontrunners, which have the potential to propel the transition towards electric mobility
- **Circular Economy: A Business Imperative for India**
  The report prepared jointly with TERI, presents opportunities for adopting circular economy in four sectors of Indian economy

The reports are available online at the link https://www.yesbank.in/responsible-banking/policy-advocacy-through-thought-leadership/thought-leadership/knowledge-reports. Scan the QR code to access the link

WORLD SUSTAINABLE DEVELOPMENT SUMMIT

To enhance its prominence as a knowledge bank, YES BANK partnered with TERI's flagship event, World Sustainable Development Summit (WSDS), held during February 15-17 in New Delhi. WSDS witnessed participation from over 2,000 delegates, including policy makers, researchers, think-tanks, diplomats and corporates from 40 countries globally. The summit focused on sustainable transport and resilient cities, transition to clean energy, carbon markets and pricing, and tackling air pollution, among others. It also emphasized on land degradation and effective waste management, promoting resource and energy efficiency, innovating financial mechanism to tackle climate change mitigation and so on. As the knowledge partner, YES BANK launched the FEWL, Electric Mobility and the Circular Economy reports at the event.



At TERI's World Sustainable Development Summit 2018, at New Delhi,
Sitting (Left To Right): Dr Ajay Mathur, C K Mishra, Patricia Appeagyei, Yasuo Takahashi, Lekey Dorji, Dr Harsh Vardhan, Hon'ble Union Minister for Earth Sciences, Science & Technology and Environment, Forest and Climate Change, Ministry of Science & Technology, Shri Narendra Modi, Hon'ble Prime Minister of India, Shri Pawan Chamling, Aiyaz Sayed-Khaiyum, Christine St-Pierre, Monique Barbut, Ashok Chawla, Chairman, TERI

Standing (left to right): Drew Johnson, Chencho Norbu, Yuri Afanasiev, Frances Beinecke, Rana Kapoor, Managing Director & CEO, YES BANK, Laurence Tubiana, Kazuhiko Takeuchi, Joshua Wycliffe, Dr Annapurna Vancheswaran



Rana Kapoor, Managing Director & CEO, YES BANK interacting with the Hon'ble Prime Minister of India Shri Narendra Modi



TERI–YES BANK report titled, Electric Mobility Paradigm Shift: Capturing the Opportunities being released by Dr Ajay Mathur, Director General of TERI, Rana Kapoor, Managing Director & CEO, YES BANK, Anand Kumar, Secretary, Ministry of New and Renewable Energy (MNRE), Shri Jayant Sinha, Hon'ble Minister of State for Civil Aviation, Government of India and Upendra Tripathy, Interim DG of International Solar Alliance (ISA)



Ratan P Watal, Member Secretary, Economic Advisory Council, Astrid Schomaker, Director, Global Sustainable Development, Environment Directorate-General, European Commission, Chanakya Chaudhary, Group Director, Corporate Communications & Regulatory Affairs, TATA STEEL, Dr Prodipto Ghosh, Distinguished Fellow, TERI & Former Secretary, Government of India, Shri Suresh Prabhu, Hon'ble Minister of Commerce and Industry, Government of India, Anil Kumar Jain, Addl. Secretary, Ministry of Environment Forest and Climate Change, Government of India Namita Vikas, Group President& Global Head – Climate Strategy and Responsible Banking, YES BANK and Dr Ajay Mathur, Director General of TERI launching the report on Circular Economy: A Business Imperative for India



Nitin Puri, Senior President and Global Head, FASAR, YES BANK, Dr Purvi Mehta, Head of Asia, Agriculture, Bill and Melinda Gates Foundation, Dr Vibha Dhawan, Distinguished Fellow & Senior Director, TERI, Dr Arvind Kapur, Managing Director, Acsen HyVeg (P) Ltd., and Dr S R Rao, Adviser, Department of Biotechnology (DBT), Minister of Science & Technology, Government of India, launching the report on FEWLing the Growth: Food, Energy and Water Nexus for Livelihood Security in India

FASAR



In line with YES BANK's approach to be a knowledge-driven organization, a specialized Food & Agribusiness Strategic Advisory and Research group (FASAR) has been established within the Bank.

The group houses industry specialists with significant sector knowledge and relevant experience and expertise in the conceptualization and implementation of food and agriculture initiatives. FASAR continues to closely work with corporate sector – micro, small and medium enter prises and multinationals, both – central government, state governments and multilateral agencies to execute project advisory, strategic advisory and policy advisory across the key growth sectors.

FASAR also conducts in-depth research on various sub-sectors in the food and agriculture domain and publishes knowledge reports and research papers on key trends and sector-specific developments. The team has authored knowledge reports with various partners, covering the latest industry trends and sectoral issues.

In FY 2017-18, FASAR took up 57 new advisory mandates and executed projects on enhancing agriculture infrastructure, value chain and exports. It further pursued projects on doubling farmers' income, food processing, organic farming, spices, fruit juices and dairy. During the reporting period, FASAR released sector-specific reports on dairy, innovations in Indian agriculture, start-ups, spices, cold chain, organic, traditional Indian food and horticulture, in partnership with its various external stakeholders.

STRATEGIC GOVERNMENT ADVISORY

Strategic Government Advisory (SGA) is a dedicated division aimed at deepening YES BANK's engagement and partnerships with a wide range of stakeholders. Through this platform, the Bank engages with central and state government ministries, bilateral and multilateral agencies, key educational institutions, think-tanks, industry associations/chambers, international trade bodies, corporate partners and voluntary groups. SGA houses knowledge bankers with cross-functional domain expertise and experience across key sectors such as infrastructure (including social infrastructure), tourism, education and e-governance.

SGA works with the government sector to participate in developing innovative financial and banking solutions to cater to the unique needs of the public sector and to identify areas outside the current realm of engagement where banks can deliver on their role as economic growth drivers. These include showcasing of mechanisms for better returns, developing cashless payment and transaction solutions and achieving efficiency across the financial supply chain between the central government, state governments, local governments and citizens or beneficiaries.

SGA has successfully executed 300+ mandates and knowledge reports over the last 13 years. With focused research, these knowledge reports offer visionary perspectives, document successful interventions and highlight investment potential in different regions of the country. Some of the reports released by SGA are:





Release of YES BANK Report on 'Financing Urban Infrastructure' (L-R) Anurag Batra, Chairman and Editor-in-Chief, Businessworld, Rinki Dhingra, Senior President, Government Banking, YES BANK, Shri K T Ramarao, Minister for Information Technology and Panchayati Raj, Government of Telangana, Shri Hardeep Singh Puri, Hon'ble Minister of State (I/C) for Housing and Urban Affairs, Government of India, Shri H M Revanna, Minister for Transport, Government of Karnataka, Bhupesh Rathore, President, Strategic Government Advisory, YES BANK

BUSINESS ECONOMICS BANKING

Over the last few years India's economy has witnessed an extraordinary turnaround, outshining not just its peers, but also major global economies. A lucid and comprehensive understanding of all the trends and nuances of the Indian economy is imperative in the ever-changing global economic order. Business Economics Banking (BEB) is the research and knowledge-driven team of YES BANK, which provides authoritative, cutting-edge macro/markets outlook and sector-specific research content, for both external and internal consumption. The team, through active participation in client meetings and industry engagements, aims to further deepen YES BANK's mindshare.

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

In 2017-18, BEB held its inaugural Annual Economic Conclave titled 'Budget 2018: Unequivocal focus on Economic Growth and Job Creation', in New Delhi. A knowledge report 'Employment: Unlocking the Demographic Dividend' was also launched at the event, which provides an in-depth analysis of various facets of India's labor market. The report discusses micro trends, link between growth and job creation, policy perspectives on improving employment generation capacity, along with likely impact of Industry 4.0.



Launch of Knowledge Report 'Employment: Unlocking the Demographic Dividend' by Dr Shubhada Rao, Chief Economist, YES BANK, Amitabh Kant, CEO, Niti Aayog, Dr N K Singh, Chairman, 15th Finance Commission, along with Rinki Dhingra, Senior President, Government Banking, YES BANK at Annual Economic Conclave

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YES GLOBAL INSTITUTE

YES GLOBAL INSTITUTE, a practicing think-tank, has been established as a division of YES BANK to focus on channelizing private sector capital towards India's development. The Institute has three main pillars – Design, Innovation and Creativity Led Entrepreneurship (DICE), Social Impact and YES Arts & Culture.

DICE

Design, Innovation and Creativity-led Entrepreneurship (D.I.C.E.) focuses on understanding simple yet disruptive innovations, which can address critical issues such as lack of infrastructure, discontinuities and inefficiencies in market and develop alternate and implementable measures.

1. In line with tech-driven improvements for social innovation, the Institute organized a convention with key industry players in educational technology (ED-Tech) sector. Focused mix of delegates included investors, global start-ups and entrepreneurs, media and policy.

2. YES Global Institute, partnered with Women Weave, to launch a crowdfunding campaign to support the livelihood of weavers in Balaghat District, Madhya Pradesh.

3. YES BANK and YES Global Institute partnered with Embassy of Israel to organize Start-Tel-Aviv Competition, to find young women entrepreneurs who are using tech-based solution to revolutionize the social landscape in India.

4. In line with Sustainable Development Goals (SDGs), the YGI Funder's book covers 10 sectors that work towards catalyzing private capital in social sectors.

SOCIAL IMPACT

The YES Global Institute's 'Social Impact' vertical has been undertaking extensive thought leadership through policy-oriented research in the areas of education, healthcare, skills and youth. It has engaged with the government, multilateral and bilateral stakeholders to build suitable networks and generate required momentum for change in policy and mindset.

1. To create a roadmap and policy impetus for National Education Policy 2017 for liberalizing higher education for innovative financing, review 'not-for-profit' tag, easier structuring of a university and other structural reforms. The study on 'Developing a Credit Market for Higher Education' was released in September 2017. Several vice Chancellors and heads of 14 Institutions contributed to the study. The first copy of the study was presented to Shri Ram Nath Kovind, President of India.

2. To facilitate greater internationalization of Indian higher education system by offering solutions to overcome the challenges of internationalization and providing a roadmap to take the UK India higher education relationship to the next level. A study, 'De-mystifying the Indian Higher Education Ecosystem' was released in March 2017 in partnership with UK-India Business Council. The study was released by Shri Arvind Panagariya, Vice Chairman, NITI Aayog and Shri Mahendra Nath Pandey, Union MoS, HRD, Government of India.

3. The Institute has committed itself to promote social entrepreneurship and financial & digital literacy through YES COMMUNITY initiative to maximize engagement with the local communities. A roundtable was conducted in March 2017 with United Nations Volunteers (UNV) to mark the signing of the 'Letter of Intent' between YGI and UNV in New Delhi.

4. YES Global Institute has emerged as a key stakeholder in healthcare policy. Its latest knowledge report, 'Healthcare 2.0: Exploring Synergies between Public and Private Sector' was released at the 4th Business World Healthcare Summit in August 2017 by Srimati Anupriya Patel, Union Minister of State for Health and Family Welfare, Government of India.

YES ARTS & CULTURE

YES Global Institute's YES Arts & Culture arm is working towards promoting and conserving India's rich and diverse heritage in association with over 50 of India's premier cultural organizations. There is a strong focus on heritage, crafts and culinary arts.

1. The team collaborated with the Indian National Trust for Art & Cultural Heritage (INTACH) in New Delhi and Mumbai to conduct over 100 walks in historic neighborhoods, impacting over 3,855 citizens over the past year. Cycle tours were also conducted in Delhi to increase this community-based engagement. YES Arts & Culture has also partnered with Sahapedia, with the support of Incredible India, the Ministry of Tourism to conduct the India Heritage Walk Festival, a 20 city initiative with over 80 events; walks, discussion, instameets and a heritage film festival.

2. The Culinary Arts of India has been a focus area for YES Arts & Culture and towards this, the team has partnered with Food Authority of India (FSSAI) and Government of India to focus on India's rich culinary heritage. 'India Food Culture – Let's Bring the Goodness Back' was a collaborative conclave with FSSAI to showcase regional cuisines and rediscover India's distinct culinary identity. This effort saw chefs, culinary entrepreneurs, academicians as well as diplomatic missions discuss the rich potential of India's culinary heritage.

3. For Crafts, YES Arts & Culture co-created an exhibition on the languishing craft forms of Rajasthan. The exhibition 'Phad – The Mythical Heritage of Bhilwara', held at Bikaner House, Government of Rajasthan, displayed the team's commitment to archiving and documenting traditional forms of art that document rich regional narratives. Also, YES Arts and Culture launched the platform of Networking India, which showcases stalwarts and leaders from the cultural and creative industries of India.

4. YES Arts & Culture firmly believes that India's youth should be given the skills to communicate their dreams. Towards this, the team has tied up with new age digital publisher Juggernaut Books to create Writer's Café, a monthly workshop series, which connects amateur writers with renowned authors to establish a support network and strong writing community.



President of India, H.E. Shri Ram Nath Kovind being presented the first copy of the study on 'Developing a Credit Market for Higher Education' by Nikhil Sahni, Group President, Government Banking and National Head, Branch Banking, Rinki Dhingra, Senior President, Government Banking and Dr. M M Ansari, Advisor, YES Global Institute.



Fueling women entrepreneurship with H.E. Daniel Carmon, Ambassador of Israel to India and participants of Start TLV competition



Rana Kapoor, Managing Director & CEO, YES BANK, addressing the audience at YES BANK Economic Times Global Business Summit 2018 at New Delhi

NATURAL CAPITAL

Natural Capital refers to the natural resources that the Bank uses to create stakeholder value, and the finance it mobilizes to promote natural resource preservation and environmental risk-mitigation.

1,264.96 MW
Renewable Energy sector exposure

18,544
MSMEs supported through Say YES to Sustainable MSMEs

10.60%
Decrease in absolute GHG emissions

744
Locations ISO 14001:2015 certified

Since inception, YES BANK has firmly placed natural capital as one of its key focus areas. The Bank has one of the largest renewable energy lending portfolios among private sector banks. It is the first Indian bank to be ISO 14001:2015 certified for Environmental Management System and the first Indian signatory to the Natural Capital Declaration. It is recognized as a Climate Disclosure Leader and drives environmental sustainability as one of its key CSR focus areas.

CATALYST IN CLIMATE CHANGE ACTION

YES BANK believes financial institutions can become catalysts in driving climate action by adopting a proactive approach to address climate change issues. The Bank is committed to this role with its innovative financial mechanisms.

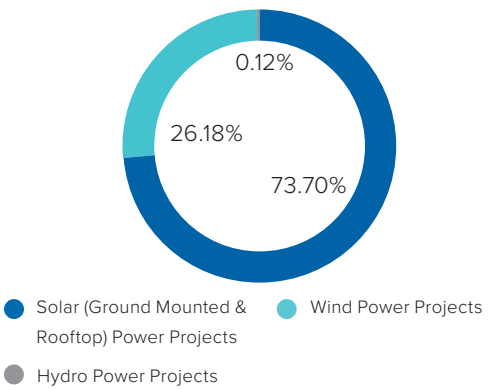
The Bank has envisaged a holistic climate strategy, which would be instrumental in institutionalizing a targeted approach for climate action. It intends to further strengthen its risk management and disclosure in line with TCFD recommendations. The Bank also aims to enhance its recognition as a green bank with the launch of green products, ensuring sustainable operations, and deepening ties with Development Finance Institutions (DFIs) and sustainability focused investors.

RENEWABLE ENERGY LENDING & ADVISORY

India has an ambitious target of establishing 175 GW Renewable Energy (RE) capacity by 2022. Apart from RE target, India's NDCs are laid out to drive climate action in the country with an investment of USD 2.5 trillion.

YES BANK has sanctioned credit for setting up RE projects of capacity 1,264.96 MW during FY 2017-18. RE projects sanctioned during the year are categorized as:

Renewable energy category	Capacity (MW)
Solar (ground mounted and rooftop) power projects	932.26
Wind power projects	331.20
Hydro power projects	1.50
TOTAL	**1,264.96**



During FY 2017-18, the Bank's key transactions to enrich natural capital were:

- Joint-underwriter of term debt with YES BANK's share of ₹750 crore for 250 MW ultra-mega solar power project in Rewa, Madhya Pradesh
- Refinancing of term debt of ₹1,050 crore for 105 MW and 50.4 MW wind projects in Andhra Pradesh and Rajasthan, respectively

- Underwriting of term debt of ₹156 crore for 32 MW solar project in Karnataka
- Underwriting of term debt along with LC/Lut sublimits of ₹156 crore for 32 MW solar project in Karnataka
- Underwriting of term debt along with LC/Lut sublimits of ₹212.1 crore for 40 MW solar project in Karnataka
- Underwriting of term debt along with LC/Lut sublimits of ₹427 crore for 100 MW solar project in Maharashtra
- Non Fund based facility (LC) facility of ₹185 crore towards procurement of WTGs for development of 39.6 MW of Wind Power project in Karnataka. LC facility is backed by Letter of Comfort from Piramal Finance (site 1)
- Non-Fund based facility (LC) facility of ₹185 crore towards procurement of WTGs for development of 39.6 MW of Wind Power project in Karnataka. LC facility is backed by Letter of Comfort from Piramal Finance (site 2)
- Underwriter of term debt of ₹14 crore for 3.26 MW solar rooftop project in Delhi NCR and Haryana
- Underwriter of term debt of ₹255 crore for 60 MW solar power project in Maharashtra
- Underwriter of term debt of ₹170 crore for 40 MW solar power project in Maharashtra
- Underwriter of term debt of ₹120 crore for 20 MW solar power project (open access) in Karnataka
- Underwriter of term debt of ₹7 crore for 1.5 MW small hydro power project in Punjab
- Underwriter of term debt of ₹447 crore for 96.6 MW wind power project in Karnataka
- Underwriter of Term Debt of ₹1,156 crore for 300 MW Solar Power Project in Rajasthan
- Refinancing of term debt of ₹291 crore for 55 MW Solar project in Telangana & Madhya Pradesh

INVESTMENT SYMPOSIUM ON 'THE OPPORTUNITY OF GREEN FINANCE IN INDIA'

YES BANK organized an investment symposium on 'The Opportunity of Green Finance in India', along with FMO (the Development Bank of the Netherlands), DEG (the Development Bank of Germany) and Proparco (the Development Bank of France). The symposium shed light on the increasing investment potential of green assets in India and the Asia Pacific region. Besides, it facilitated dialogue among 50 different domestic and international financial institutions, spanning the public and private sector, including regulators, stock exchanges, rating agencies, and banks.

During the symposium, the Bank signed a charter with FMO, DEG, and Proparco to champion green finance in India. The four banks committed to mobilize green investments and capitalize on opportunities in India's sunrise sectors. Besides, they are to help in achieving India's Nationally Determined Contributions (NDCs) and Sustainable Development Goals (SDG) targets, towards climate change.



(L-R) Ashish Kumar Chauhan, MD & CEO, Bombay Stock Exchange (BSE), Karin Homermann, Vice President, DEG, Rana Kapoor, Managing Director & CEO, YES BANK, Guillaume Barberousse, Head of Banking & Capital Markets, Proparco, Linda Broekhuizen, Chief Investment Officer, FMO, and Namita Vikas, Group President & Global Head – Climate Strategy and Responsible Banking, YES BANK

POWERING SOLAR PROJECTS

YES BANK has played a pioneering role as India's 'Green Bank' in developing the renewable energy sector. The Bank is one of the associate organizations supporting International Solar Alliance (ISA). It is a treaty based international inter-Governmental alliance of 121 solar resource rich countries lying fully or partially between the Tropics of Cancer and Capricorn. ISA aims to mobilize USD 1,000 billion by 2030 for massive deployment of solar energy.

Given the Bank's leadership in RE sector knowledge and financing, it was invited to participate in the International Solar Alliance's (ISA) Founding Conference on March 11, 2018. The program was held at the Rashtrapati Bhawan Cultural Center, New Delhi. It was attended by 34 Heads of State/Government and ministerial delegations from ISA member nations and 25 esteemed Indian industry leaders, including Mr. Rana Kapoor, Managing Director & CEO, YES BANK. The event was inaugurated by the Hon'ble Prime Minister of India, Shri Narendra Modi and Hon'ble President of France, Mr. Emmanuel Macron, the founding signatories of ISA. As a knowledge partner, YES BANK prepared the ISA Compendium of Global Case Studies of Solar Energy Deployment from 20 ISA member countries.



Rana Kapoor, Managing Director & CEO, YES BANK speaking at International Solar Alliance's (ISA) Founding Conference on March 11, 2018 at the Rashtrapati Bhawan Cultural Center, New Delhi

YES BANK has also committed to mobilize USD 1 billion till 2023 and USD 5 billion till 2030 towards financing solar energy projects in India at the World Energy Summit 2018.

RENEWABLE ENERGY FINANCE FACILITY

YES BANK launched a USD 400 million renewable energy finance facility as a joint initiative with European Investment Bank (EIB) to support the expanding renewable energy sector. Along with the Bank, this facility will be supported by EIB with an investment of USD 200 million, project promoters and other financial institutions.

This initiative is EIB's first-of-its-kind engagement with any Indian commercial bank. The 15-year tenor of the association is EIB's longest lending tenor. This program will streamline financing for a range of renewable energy projects being built and operated by leading Indian organizations. Eligible solar projects have been identified in Rajasthan, Telangana, Maharashtra and Karnataka, while additional projects are being examined.



Donal Cannon, Head of Regional Representation for South Asia, EIB with Arun Agrawal, Group President, International Banking, YES BANK

In October 2017, YES BANK signed a long-term credit line of USD 30 million with OeEB, the Austrian Development Bank, for dedicated financing of wind and solar power projects in India.

ENERGY EFFICIENCY INVESTMENTS

India's Micro Small & Medium Enterprises (MSMEs) sector is emerging as a growth powerhouse. Over 51 million MSMEs account for 40% of the country's total exports and 38% of its GDP. For YES BANK, providing finance for sustainable MSMEs is a part of their core business strategy.

The Bank signed an MoU with the Bureau of Energy Efficiency (BEE) to become the Participating Financial Institution (PFI) for availing risk guarantee under the Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE). The PRGFEE is an innovative financial instrument, which uses public resources to channelize private sector finance towards promoting energy efficiency in different sectors of the economy, including MSMEs, buildings and municipalities.

YES BANK will channelize the Bank finance for energy efficiency projects through BEE approved Energy Services Companies (ESCOs). The Bank also trained select employees across the country through the BEE – PRGFEE workshop.

MILESTONES ACHIEVED BY YES BANK IN RE SPACE

YES BANK has successfully financed ~4.7 GW RE projects towards its green energy commitment of financing 5 GW of RE projects taken in February 2015 at the RE-INVEST.

SUSTAINABLE INVESTMENT BANKING

Sustainable Investment Banking (SIB) is a knowledge focused vertical at YES BANK. It provides investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environment, healthcare, and education

SIB specializes in private equity fund raising, mergers & acquisitions, technology transfer, business advisory and corporate restructuring, among others. It has successfully completed 41 transactions, amounting to a transaction value of over USD 7 billion.

During the reporting period, SIB successfully closed the following transactions in the RE space:

- Acted as an exclusive advisor to Bhilwara Energy Limited for sale of their 69.5 MW wind portfolio to Hero Future Energies Limited
- Acted as an exclusive advisor to Kiran Energy for buy out of minority stake of Mahindra Holdings Limited in their 38 MW solar portfolio
- Acted as an exclusive advisor to Kiran Energy for buy out of minority stake of First Solar in their 55 MW solar portfolio
- Acted as an advisor to First Solar for sale of their operating solar portfolio in India

SIB represented YES BANK's strong sector expertise and thought leadership in the renewable energy and sustainability sectors at key conferences and seminars, including at Powergen Renewable Energy World Congress; PHD Chamber of Commerce India Electric Vehicles Conclave; TERI's World Sustainable Development Summit; and UNIDO Low Carbon Technology Innovations Meet and EQ Cleantech Finance Summit, among others.

CLIMATE ACTION IN FINANCIAL INSTITUTIONS

Climate Action in Financial Institutions is an unprecedented coalition of public and private financial institutions. It is critical in initiating action on global priorities by bringing together over 30 global financial institutions to mainstream climate action within their core business strategies. The initiative has developed five voluntary Principles of Climate Mainstreaming to assist and guide financial institutions in supporting low carbon and climate-resilient development.



YES BANK has been associated with the initiative since its inception at the sidelines of COP21 in 2015. As a part of the coordination group (others include HSBC, AFD & EBRD), the Bank is currently leading the work stream on 'Spreading a Climate Strategy into a whole organization'.

YES BANK's case studies have been included in the 2017 Climate Mainstreaming Practices Report launched on December 11, 2017 at One Planet Summit. They have also been included in the online database launched during COP23 by Climate Action in Financial Institutions.

The database and the report feature case studies from global financial institutions on strategies of mainstreaming climate action within core business models.

NATURAL CAPITAL AWARDS 2017

The YES BANK Natural Capital Awards was launched in 2013. It is a pioneering platform that mainstreams India's natural capital dialogue by showcasing practices in natural capital consumption, accounting mechanisms, and conservation within the industry and civil society. The awards were conceptualized to recognize and reward unique, scalable, and sustainable models with innovation in products, services, and processes to safeguard natural capital. The complementing and collaborative roles of individuals, policy makers, and industry are showcased at the platform. Besides, the awards highlight how sustainable development is possible through multi-dimensional and multi-disciplinary strategies that are aligned with participatory, inclusive, and responsible governance.

In 2017, the awards saw participation from 522 corporate and 10,135 individuals, a ten-fold increase over previous editions. The third edition of the awards was judged by an eminent jury, comprising noted Indian and international academicians, thought leaders, photographers and environmentalists, who have contributed in strengthening the global discourse on Natural Capital.

The Natural Capital Awards ceremony saw participation from the government, industry and international diaspora, wildlife and natural history specialists, sustainability professionals, and multilateral agencies. The ceremony was held in September 2017, with Dr Harsh Vardhan, Hon'ble Minister for Earth Sciences, Science & Technology and Environment, Forest and Climate Change, Ministry of Science & Technology, Government of India as Chief Guest.

The program also had Mr Inia Seruiratu, Hon'ble Minister for Agriculture, Rural & Maritime Development & National Disaster Management & Meteorological Services, Republic of Fiji as the Guest of Honor. Shri Suresh Prabhu, Hon'ble Minister for Commerce and Industry, Government of India inspired the participants through his video message.

In their addresses, the dignitaries highlighted the need to bring the stakeholders together, and create a national and global movement to combat climate change and embark on the sustainable development pathway.



The winner of Pixel Perfect category being felicitated by (L-R) Dr Kirit Parikh, Chairman, IRADe, Namita Vikas, Group President & Global Head, Climate Strategy & Responsible Banking, Dr Harsh Vardhan, Hon'ble Union Minister for Earth Sciences, Science & Technology and Environment, Forest and Climate Change, Ministry of Science & Technology, Ashok Chawla, Non-Executive Chairman, YES BANK and Nikhil Sahni, Group President, Government Banking and National Head, Branch Banking

This year the awards also partnered with five state governments – Chhattisgarh, Gujarat, Rajasthan, Telangana and Uttarakhand – along with the Embassy of the Netherlands and Proparco, the French development financial institution. These organizations presented their perspective on enhancing natural capital in their domains through initiatives and practices, which can be emulated by all. The discussion was enriched further by the panel on 'Conserving India's Natural Wealth: A Multi-Actor Paradigm' with contributions from UNFCCC, We Mean Business, ERM India, Green Highways Division, National Highways Authority of India (NHAI) and YES BANK.

During the event, two knowledge reports – 'Valuing Natural Capital: Applying the Natural Capital Protocol' and 'Natural Capital Mapping: Towards Achieving SDGs in India' – were released, strengthening the discourse on conservation of India's rich natural capital.

For further details about the awards, please see the NCA Compendium 2017 at https://www.yesbank.in/pdf/yes_bank_nca_compendium_2017_pdf. Scan QR code to access the link.



(L-R) Winning photos by Shivang Mehta, Ritobroto Moitra, Shreya Singha Ray & Rabindranath Sahu, and Shantanu Prasad

CDP WATER FORUM

YES BANK hosted the flagship event of CDP, its Global Water Forum 2017 in Mumbai. The event facilitated a dialogue between various national and international experts about water conservation and its efficient usage.

Experts voiced their opinions on the impact of climate change on water and the need to achieve water security for public and private institutions. This event saw participation from leading corporate houses.

ENVIRONMENT AND SOCIAL POLICY

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

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

INTEGRATING ENVIRONMENTAL EXCELLENCE WITH GO DIGITAL DRIVE

YES BANK has enhanced the scope of its Environment Management System (ISO 14001:2015) to 744 locations. It further included the rural branches and YES Securities into the certification program with digitization as a key focus area. The Bank's environment management policy highlights greater commitments to environment protection and commitment to source renewable energy for 'greening' the Bank's operation with the strategic objectives:

- Improve key resource efficiency, such as electricity usage, fossil fuel, paper and water with digitization of processes
- Conserve natural resources by adopting the '3-R' (reduce, reuse and recycle) approach towards prevention of pollution and disposal of waste, especially electronic waste, in line with regulatory requirements or best-industry practices
- Explore renewable energy sources for 'greening' the Bank's operations and adopt green-building principles

- Set, monitor and review the overall Environmental Management System (EMS) objectives and targets consistently to achieve continuous improvement in environmental performance on the digital platform – Resustain
- Promote 'green procurement' to influence strategic suppliers' sustainable sourcing of products and services
- Integrate energy and environmental considerations in the design of new infrastructural facilities

EMPLOYEE ENGAGEMENT AND COMMUNICATION

The Bank conducted extensive awareness campaigns and training programs throughout the year to involve all employees to collaboratively achieve higher environmental performance standards. The Bank trained all its employees on the Environmental Management System through the re-launch of a comprehensive E-Learning module, leading to greater employee awareness and participation. The Bank also uses mailers, signage and posters to communicate regularly with its employees regarding resource conservation.



DIGITAL AND PAPERLESS BANKING

The Bank continued its efforts to gradually move towards paperless banking, by digitizing paper-based products and processes, wherever possible.

Its key initiatives during the year included:

- **E-Welcome Kit:** YES BANK launched the E-Welcome kit for retail asset products in October 2017. This provides seamless customer experience through the digital platform. It has helped reduce turnaround time and avoid the potential use of 10,59,360 A4 sheets of paper, 92,118 inserts and 46,059 envelops (based on total 68,745 loan application processed as on March 2018)
- **YES SPEED:** The Bank launched YES SPEED in December 2017. The digital loan disbursement platform has significantly reduced the turnaround time of the process and potential use of paper
- **RESUSTAIN:** The Bank launched RESUSTAIN, a user-friendly technology platform, to improve the process of data collection on environmental and CSR projects. The end-to-end solution is paperless and provides features to capture data on YES COMMUNITY, environmental performance of the branches and CSR project monitoring. It makes reporting for the user and data analytics for the program manager simple and paperless
- **e-KYC:** Last year, the Bank initiated electronic verification for its new customers, through e-KYC (Know Your Customer). This resulted in greater paper savings due to reduced requirement of physical documents
- **Document Simplification:** The Bank encourages its business units to dedicatedly reduce dependence on paper. Thus through an initiative the Bank has simplified its loan processes and substantially reduced the number of loan agreement pages, resulting in savings of 16,49,880 A4 sheets
- **Digital Reimbursements:** The Bank has digitized all employee reimbursement claims, such as mobile phone, local conveyance, outstation travel and staff relocation, among others through an internal YES PAY platform. The initiative has resulted in total savings of 2,54,000 A4 size sheets.

REDUCE, REUSE AND RECYCLE

During the year, the Bank continued its focused efforts to diminish resource consumption through various initiatives that include:

- A pilot project to recycle all paper waste generated by the Bank. The pilot has been implemented across 78 branches and the corporate office in Mumbai
- The Bank promoted car-pooling among its employees using mobile app-based solutions at some of its major locations
- The Bank encouraged individual business units to commit at a leadership level to reduce their dependency on paper, resulting in more accountability and ownership
- The BANK has recycled 9.5 tonnes of dry waste resulting in 27.35 MT of carbon footprint reduction every quarter. On an average, every quarter 150,000 Swachh Bharat Points are accumulated against the amount of waste recycled. These points are redeemable for recycled stationery, which are made by women of self-help groups

MANAGING E-WASTE

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

- During FY 2017-18, the Bank responsibly disposed 4,700 kg of assets as e-waste, which included desktops, printers and laptop hardware, UPS, and server hardware

INFRASTRUCTURE

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

- Migrating to LED lighting in phases – as on March 31, 2018, 4,403 LED lights have been installed at 66 new branches and 2 corporate office locations with ₹51.22 lakh investment, with a potential saving of 319,217.5 kWh of energy consumption and ₹31.8 lakh in monetary savings annually
- Optimizing water usage — the Bank installed pressure compensating aerators in water faucets at its primary locations
- Installing CO_2 monitoring equipment at YES BANK Tower, Mumbai – to monitor and improve the ambient air quality in the work space
- Phasing out air conditioning systems that use ozone depleting coolants – during FY 2017-18, the Bank initiated a process to replace all air conditioners that are more than 10 years old with eco-friendly models
- Replacing the branch signages with LED lighting in phases, considerably decreasing energy consumption

KEY STEPS TO ENHANCE ENERGY CONSERVATION

YES BANK's energy management initiatives will aim at reducing 15-20% energy consumption with sustainable facility management over a two-year period.

- Similarly, power factors at branches are being monitored above 0.9 with the help of capacitor bank, while monitoring panels are installed to reduce risk of penalty levied by DISCOMs
- An air conditioning replacement model has been developed for replacing old models with energy consumption of 1.6-1.8 times of peak load and temperature control with dedicated AHU units for centralized AC systems
- Retrofit solutions for HVAC systems have a potential saving of 10 to 15% power consumption. The Bank will be incorporating some of the solutions in a phased manner over a two-year period. Moreover, maintaining AC temperature above 25° Celsius has helped the Bank achieve 3% saving of hourly kWh consumption
- 100% of YES BANK branches are issued Petro cards for diesel procurement, resulting in enhanced transparency, reduced wastages and cost-saving of 2% over the preceding financial year

PERFORMANCE OF ENVIRONMENTAL PARAMETERS

YES BANK GHG Inventory	FY 2017-18	FY 2016-17	FY 2015-16
Scope 1 – Diesel (tCO_2e) ##	921.03	942.44	1,098.33
Scope 1 – Refrigerant (tCO_2e) ##	2,059.04	1,349.30	552.88
Scope 2 – Emission (tCO_2e) #	29,668.27	34,226.39	30,946.40
Total Emission (Scope 1+2) (tCO_2e)	32,648.34	36,518.13	32,597.62
Scope 3 Emission (tCO_2e) **	4,420.89	2,642.23	1,543.82
Total FTE as on 31st March	18,238.00	20,125.00	15,000.00
Diesel Consumption (Litre)	348,263.61	356,359.05	415,305.34
Grid Electricity Consumption (MWh)	36,180.82	41,739.50	37,739.52
Emission Intensity (tCO_2e/FTE)	1.79	1.81	2.17
% Reduction of Emission Intensity Y-o-Y	1.35	16.5	19.52
% Change in FTE Y-o-Y	(9.38)	34.17	38.76
% Change in Total Absolute Emission Y-o-Y	(10.60)	12.03	11.68

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

Grid Electricity Consumed has been calculated from the electricity bills for all locations, hence a 15% reduction in the calculation has been considered to account for Government taxes and overheads. Scope 2 emissions includes negligible emissions generated by electricity consumption by YES Securities Ltd, a subsidiary, since it is operating out of same NOC Mumbai building premises.

Scope 1 emissions include CO_2, N_2O and CH_4 emissions from YES BANK's diesel usage and 10% refrigerant leakage from the AC systems.

The emission factors and GWP (Global Warming Potential) values have been taken from GHG protocol. The cost of diesel consumed pan bank is converted in quantities consumed by using state level diesel prices. Like 2012-13 (base year), the Bank has used operational control approach for measuring and managing these emissions.

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

As a service sector organization, the Bank is reporting specific GHG intensity covering its Scope 1 and Scope 2 emissions, which comprise its significant energy usage, linked with GRI Standard 301 requirements. Given the disclosure, the Bank does not separately report the energy intensity.

WATER FOOTPRINT

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

Based on the assumption that ~45 liters of water is consumed per employee per day (Source: Manual on Water Supply and Treatment, Institutional Needs, Central Public Health & Environmental Engineering Organization, Ministry of Urban Development, Government of India), the Bank has estimated that in 2017-18, the water consumption at all its facilities was 203,460 m^3*.

Given the Bank is in a stage of steady growth, the consumption has grown from 187, 240 m^3 in 2016-17, and 133,213 m^3 in 2015-16 respectively. The Bank encourages its branches to lead their own mitigation initiatives and shares best practices across other branches. The Bank is looking towards monitoring of water consumption at branches periodically and metering systems are being installed.

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

LEADERSHIP IN CLIMATE DISCLOSURE

CDP
DRIVING SUSTAINABLE ECONOMIES

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

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Bank welcomes the recommendations of the Financial Stability Board's Taskforce on Climate-related Disclosures (TCFD) and is committed to implementing the disclosure recommendations.

HUMAN CAPITAL

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

18,238	7,28,605	5,035	15,568
Total employees	Training hours	Training programs	Employees trained

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

To engage its growing workforce, YES BANK follows the 5C Engagement Model, comprising Culture Communication, Career, Connect and Care. Initiatives such as YES CLUB facilitate participation in activities around three broad themes: Social, Culture and Sports.

To reinforce competitive advantage through HR digitization, characterized by big data, integration, mobility, social media, 'gamification', and cloud computing, the Bank has adopted a new HRIT system – YESforYou Fusion.

The new system will enhance the Bank's ability to manage employees in a more flexible, agile and productive manner, by integrating talent management into the fabric of everyday business. It is slated to become a vital component of YES BANK's performance, re-affirming its commitment towards becoming the Finest Quality Large Bank of the World in India.

HUMAN CAPITAL INITIATIVES

YES CLUB FIT – A WELLNESS INITIATIVE

With the objective of encouraging an atmosphere of fun and camaraderie, and to provide YES BANKers a platform for engaging in personal wellbeing and showcasing their talent and creativity, YES CLUB was launched across its Hub Branches. YES CLUB is the primary platform that facilitates participation in four broad themes: Social, Culture, Sports and Wellness. Since its launch, YES BANKers across the Bank's 259 Hub/Cluster Hub branches have organized and participated in activities such as sports tournaments, adventure sports & trekking, arts and crafts exhibitions, photography contests and blood donation camps

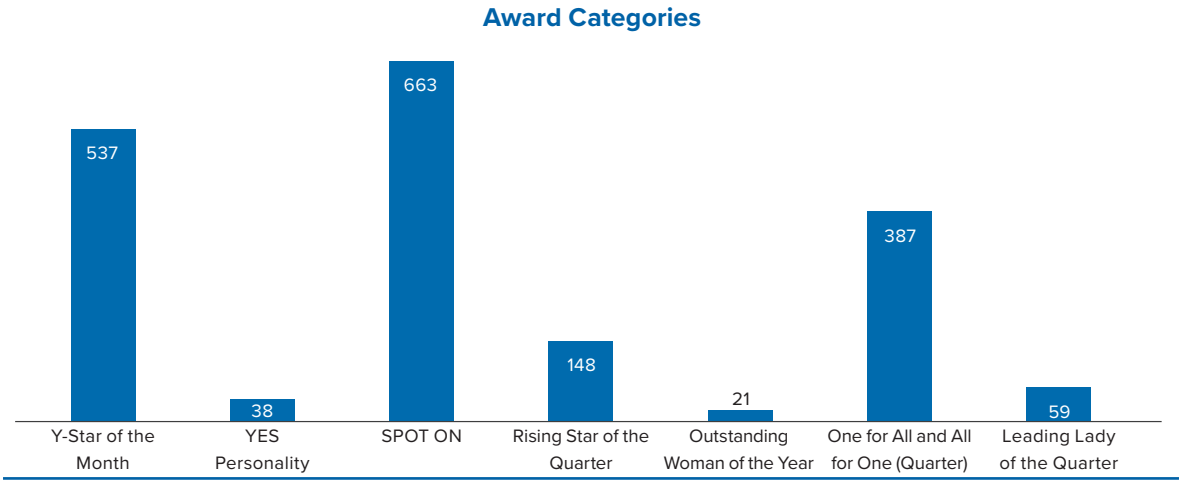
YES CLUB is also the primary driver of initiatives focused on building a culture of holistic wellbeing amongst YES BANKers. Under this agenda, several Wellness focused activities such as medical screening camps, Doctor talks in partnership with Apollo, wellness knowledge campaigns, workshops on emotional well-being, meditation, stress management, yoga, zumba and functional training sessions like chair yoga and chair cardio are implemented.

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

'Say YES to G.R.A.C.E' (Gender Respect and Commitment to Equality) is a robust framework that creates awareness and periodically disseminates the Bank's revised Policy for Prevention of Sexual Harassment. The Bank's policy is in line with 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules, 2013.' The Bank has an internal committee to investigate and inquire into sexual harassment complaints.

YES LEAGUE OF EXCELLENCE

YES BANK launched its revamped rewards and recognition online portal called the 'YES LEAGUE OF EXCELLENCE'. It provides a formal recognition platform to recognize and reward Excellence at YES BANK, and in turn creates a 'Culture of Appreciation'. All YES BANKers have the option to appreciate and wish their colleagues on achievements or special occasions, while reporting managers can nominate colleagues for rewards like 'Employee of the Month'.



YES WE CARE – ADOPTION LEAVE

YES BANK rolled out adoption benefits for its employees to align organizational objectives with the emerging needs of its employees. Under the new policy — 'Bringing A Beautiful Yes', rolled out under the 'Yes We Care' initiative, employees adopting a child will be offered leaves. Women employees adopting a child can take up to two months of paid leave for adopting a child of six years of age or below, and one month of paid leave for adopting a child over the age of six years (up to 14 years).

The Bank also offers seven day paternity leave, applicable in cases of adoption as well.

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 100% executives. It 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.

YES BANK AWARDED TIMES ASCENT 'NO. 1 DREAM COMPANY TO WORK FOR'

YES BANK won the 'No. 1 Times Ascent Dream Company to Work For' at the 26th World HRD Congress held in Mumbai in February 2018 after a rigorous multi-stage selection process among 800 participating companies. YES BANK also scored 75 in Trust Index Score of the Great Places to Work survey in 2017, conducted by the Great Places to Work® Institute India.

LISTENING TO EMPLOYEES – HCM HELPDESK

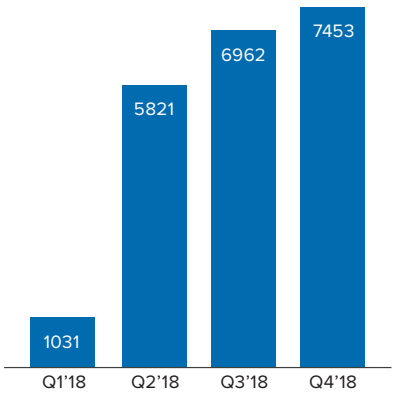
In line with the Bank's objective to provide a consistent and superior service experience to its employees, 'HCM HelpDesk' is a simple, easy-to-use platform allowing employees to raise all their HCM related inquiries via email, Voice Calls which are taken to relevant and satisfactory closure by team. Through this platform, employees can raise grievances, as well as register risks.

A dedicated team analyzes queries and reports concern areas to Head - Human Capital Management and subsequent corrective actions are undertaken.

Most of the queries raised on HCM HelpDesk were related to Salary and Compensation matters (approximately 83%), which may be further elaborated as queries on Investment Declaration, Leave Without Pay, Reimbursements, Salaries & Taxes.

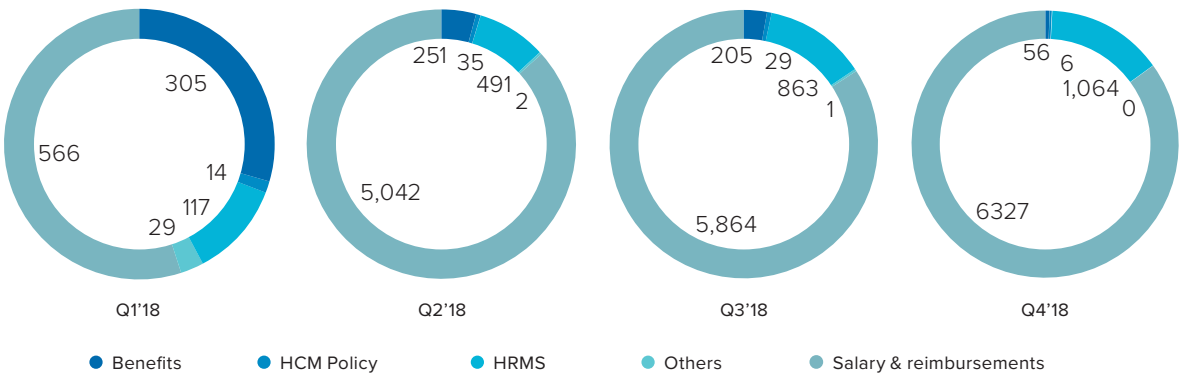
HCM HelpDesk is aimed at providing direct access to Bank's HCM team. The charts below depict the extensive use of the tool for various categories.

Total No. of queries (Nos.)*



YES SCHOOL OF BANKING is the first and only Learning & Development function in India's banking sector to achieve dual certifications in ISO 9001:2008 and ISO 29990:2010.

Count of Category Queries – Category Wise (%)*



*HCM HelpDesk replaces My Voice, the Bank's earlier platform. Hence, data is only available for FY 2017-18

LEARNING & DEVELOPMENT

YES SCHOOL OF BANKING

Since inception, YES BANK has emphasized on a knowledge-driven approach with an objective focus on capability development. The Bank aspires to be an 'Employer of Choice' by the brightest and best quality human capital.

YES SCHOOL OF BANKING (YSB), institutionalized in 2007, functions as the Center of Excellence for Learning & Development (L&D) solutions in banking and related areas. YSB offers L&D solutions in behavioral and leadership skills, employee induction (includes Know Your Customer and Anti-Money Laundering), mandatory policies and compliance, process training and product training. It is the first and only Learning & Development function in India's banking sector to achieve dual certifications in ISO 9001:2008 and ISO 29990:2010.

MY LEARNINGS@YES

MY Learning@YES, the Bank's online Learning Management System, supports e-learning and classroom training. It caters to the need for planning, conducting and recording all key aspects of instructor-led training programs.

Additionally, the system has features like a versatile training calendar, training schedule management, feedback mechanism and management information system. The program incorporates the latest management research and involves a highly experiential kind of learning, where participants can engage in role plays, group discussions, partner conversations and case studies.

MAJOR LEARNING MODULES

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

1. **YES D.I.C.E Workshop (Design Thinking, Innovation, Creativity led Entrepreneurship)**

   A series of workshops for senior management leaders and middle management executives launched in partnership with ISDI, to create awareness and reiteration of DICE among YES BANK's leaders.

2. **L.E.A.P (Leadership Excellence to minimize Attrition and maximize Productivity)**

   The workshop for senior and middle management executives to enhance their leadership capability and capacity of YES BANK leaders, minimize attrition, maximize productivity and eliminate gender bias at the workplace.

3. **GO GET SALE – Mobile Gamification Learning**

   The Bank's first game-based mobile learning module for the Branch Banking Sales team to enhance the knowledge and skills of the frontline sales executives through seven micro skills.

4. **SUPERCOP (Super Certified Operations Professional) Certification**

   SUPERCOP is a 'gold standard operations certification' for select YES BANKers from Trade Finance Operations, FMO and CAD teams. It aims to create an elite team of expert executives, who understand and manage end-to-end operations.



The program encompasses cross-functional training across critical operational roles, external certifications, service orientation, leadership training, design thinking and innovation workshop, and exposure to professional technology programs. Its objective is to hone the participants' future skills.

INDUCTION PROGRAM

Corporate Induction continues to be YSB's high impact induction program that trains new employees on key essential areas that every YES BANKer must be aware of and imbibe. The Induction program is the first critical training for employees on key regulatory and compliance issues including Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, information security, products and processes and Human Capital Management policies and procedures.

During the reporting period, 318 induction programs were conducted for 4,733 executives and 4,858 executives were inducted through the e-learning module.

EMPLOYEE TRAINING PROGRAMS CONDUCTED

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Total training programs conducted (classroom)	5,035	3,640	2,737	1,596
Total executives trained (classroom)	15,568	16,096	12,263	9,275
Total executives trained (e-learning)	16,108	19,758	N/A	N/A

EMPLOYEES TRAINED BY GENDER (CLASSROOM)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Male	12,811	13,025	9,934	7,648
Female	2,757	3,071	2,329	1,627
TOTAL	**15,568**	**16,096**	**12,263**	**9,275**

EMPLOYEES TRAINED BY MANAGEMENT CATEGORY (CLASSROOM)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Top management	99	65	139	N.A.
Senior management	245	127	465	483
Middle management	2,958	2,062	2,881	2,044
Junior management	7,620	7,517	3,998	2,762
General management	4,646	6,325	4,780	3,986
TOTAL	**15,568**	**16,096**	**12,263**	**9,275**

TRAINING PROGRAMS BY CATEGORY (CLASSROOM)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Behavioral and leadership skills	839	585	428	338
Employee induction	318	419	218	140
Mandatory policies and compliance	1,428	384	296	158
Process training	600	404	597	59
Product training	1,850	1,848	1,198	901
TOTAL	**5,035**	**3,640**	**2,734**	**1,596**

TRAINING HOURS (CLASSROOM AND E-LEARNING)

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Participant man-hours (classroom)	389,159	386,856	N/A	N/A
Participant man-hours (e-learning room)	339,446	581,545	N/A	N/A
Participant man-hours (classroom and e-learning)	728,605	968,401	567,628	247,568
Participant man-hours* per executive	**39.95**	**48.12**	**37.84**	**22.88**

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

AVERAGE TRAINING HOURS (CLASSROOM AND E-LEARNING) – GENDER

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Male	39.35	46.91	N/A	N/A
Female	42.67	53.49	N/A	N/A
TOTAL	**39.95**	**48.12**	**N/A**	**N/A**

AVERAGE TRAINING HOURS (CLASSROOM AND E-LEARNING) – CATEGORY

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
General management	48.47	62.01	N/A	N/A
Junior management	40.48	45.77	N/A	N/A
Middle management	26.62	24.62	N/A	N/A
Senior management	19.23	11.46	N/A	N/A
Top management	10.13	10.90	N/A	N/A
TOTAL	**39.95**	**48.12**	**N/A**	**N/A**

TRAINING TARGETS / PLANS FOR NEXT YEAR:

- Mandatory certifications for select roles in retail, corporate and support business units (BU).
- Significantly higher 'digitized' content: e-learning, gamification, AV and mobile app based learning/ assessments.
- Leadership training programs for top, senior and middle management leaders across BUs.
- Deployment of a mix of experiential, social and formal learning techniques.
- Focus on business priorities, i.e. productivity, cross sell, service culture, increase digitization.

UNIVERSITY & SCHOOL RELATIONSHIP MANAGEMENT (USRM)

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

YES BANK TRANSFORMATION SERIES



The winners of YES BANK Transformation Series 2017, Team Easy Company from IIM-Shillong, being felicitated by Ramanathan Ramanan, Mission Director, Atal Innovation Mission, NITIAayog and Ashok Chawla, Non-Executive Chairman, YES BANK

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'. It offers students globally an opportunity to work on real-life industry challenges faced by the financial sector and urges them to push the envelope, in a bid to transform 'innovation to impact'. Over the years, the focus of the series has been on various disruptive concepts such as digital financial inclusion and complete digitalization. The program has seen 30,000 student participants, 5000+ ideas, 700+ educational institutions, 15 finalist teams and 3 National Winners. YES BANK Transformation Series, 2017 in its sixth edition this year, provided a grueling test to India's future business leaders to think beyond the ordinary.

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. Its primary objective is to develop a strong talent pool to drive the Bank's future growth. During FY 2017-18, the Bank inducted 74 Y-PEP candidates into the program.

This highly qualified talent pool has contributed to consistently augment and support the Bank's knowledge-based, state-of-the-art technology driven services across key banking relationships, products, knowledge advisory groups, and critical support functions. Since its inception, the program has inducted over 1,000 candidates.

During FY 2017-18, the Bank inducted 74 Y-PEP candidates into the program.

YES FUTURE READY SCHOLARSHIP PROGRAM

YES FUTURE READY Scholarship Program (previously known as YES Aspire to Innovate) was launched in January 2018. The program aimed at grooming India's future leaders. It will also enhance YES BANK's positioning as the 'Preferred Employer of Choice' on campus. It offers individual scholarships of ₹2 lakhs each to 31 YES FUTURE READY scholars chosen from India's top premier B-schools and engineering institutes.



Deodutta Kurane, Group President, Human Capital Management, YES BANK speaking at the YES Future Ready Felicitation Ceremony

The scholars also have an opportunity to receive structured mentorship by YES BANK's top management leaders and access to design thinking and innovation workshop and future-ready (professional technology) skills by leading international institutes.

WOMEN-CENTRIC INITIATIVES

In line with the rise in societal awareness and action towards women's safety in India, YES BANK organizes awareness and training workshops for its female executives on basic preparedness and response measures. It is designed to sensitize, empower and support them in challenging situations. These guidelines were aimed at increasing safety awareness and providing practical tips and tools that will help female executives avoid potentially hostile situations practically.

Another key initiative that has been implemented is a 24X7 helpline number for all YES BANK executives in SOS situations. A list of next-of-kin, along with their contact numbers, has been made available with the 24X7 call center, to be able to inform them should any such necessity arise.

HUMAN CAPITAL DATA POINTS

EMPLOYEE STRENGTH

Particulars	FY 2017-18						
	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top management	0	0	76	10	18	2	106
Senior management	0	0	238	20	3	0	261
Middle management	58	18	2,795	386	9	3	3,269
Junior management	2,321	810	5,054	861	2	0	9,048
General management	3,162	988	1,207	196	1	0	5,554
TOTAL	**5,541**	**1,816**	**9,370**	**1,473**	**33**	**5**	**18,238**

Employee Strength by Region FY 2017-18	Number
North	6,362
East	945
West	7,877
South	3,054
TOTAL	**18,238**

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

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

NB: While, some industry peers have separate entities that employ the direct sales force, the entire sales and operations, force of YES BANK is on its payrolls

TOTAL ATTRITION DURING THE YEAR

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

Note: Attrition is based on head count as on closing date and includes only voluntary exits.

Total Attrition During the Year by Region FY 2017-18	Number
North	2,601
East	442
West	2,885
South	1,142
TOTAL	**7,070**

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

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

TOTAL HIRES DURING THE YEAR

	FY 2017-18						
Particulars	Under 30		30-50		Above 50		Hire
	Male	Female	Male	Female	Male	Female	Rates
Top management	0	0	5	0	1	0	5.66%
Senior management	0	0	14	2	0	0	6.13%
Middle management	28	4	450	56	1	1	16.52%
Junior management	1,301	466	1,025	157	0	0	32.59%
General management	1,480	439	160	33	0	0	38.03%
TOTAL	**2,809**	**909**	**1,654**	**248**	**2**	**1**	**30.83%**
HIRE RATES	**50.69%**	**50.05%**	**17.65%**	**16.84%**	**6.06%**	**20.00%**	

Total Hires During the Year by Region FY 2017-18	Number
North	1,886
East	275
West	2,388
South	1,074
TOTAL	**5,623**

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

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

Employee Profile analysis is based on the database maintained by the Bank's HCM unit, which may differ from the Bank's total headcount on a particular date. HCM data does not include employees of YES FOUNDATION and YES Securities (India) Limited.
No significant variations were observed in the employment related data reported above.

RETURN TO WORK AFTER PARENTAL LEAVES

Particulars	FY 2017-18		FY 2016-17		FY 2015-16	
	Maternal	Paternal #	Maternal	Paternal #	Maternal	Paternal #
Employees taking parental leave	172	1,088	148	1,005	96	758
Employees resuming work	168	1,088	144	1,005	93	758
Employees retained after resuming work in the reporting period	162	1,088	142	1,005	88	758
Return to Work Rate	94.2%	100.0%	95.9%	100.0%	91.7%	100.0%
Employees retained 12 months after resuming work	N/A*	N/A*	94	743	64	572
Return to Work Rate (after 12 months)	N/A*	N/A*	63.5%	73.9%	66.7%	75.5%

* To be reported in FY 2018-19 reporting cycle.

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

MANUFACTURED CAPITAL

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

1,100
Branches

1,724
ATMs

ADOPTED
Supplier Code of Conduct

YES BANK is a public limited company listed on the Bombay Stock Exchange and the National Stock Exchange of India. There has been no significant change in its shareholding pattern, the details of which are available in this report, on pages 141-155.

YES BANK provides a comprehensive range of banking products and services to its entire spectrum of customers. For enhanced outreach, it uses a pan-India network of branches, ATMs, regional offices and customer touch points based on a robust 'digical' infrastructure. Thus, Manufactured Capital is a critical enabler for the Bank. More information on the Bank's bouquet of products and services is available at its website, www.yesbank.in.

GEOGRAPHIC FOOTPRINT

YES BANK is headquartered in Mumbai's Lower Parel Innovation District (LPID). It provides a seamless banking experience at its 1,100 branches and 1,724 ATMs across India's 29 states and 7 union territories as on March 31, 2018 through its state-of-the-art branch infrastructure, cutting-edge technology and a customer-centric approach.

The Bank has one international representative office in Abu Dhabi, UAE.

NATIONAL OPERATING CENTERS

The Bank continues to have centralized back office functions for various business lines served from National Operating Centers (NOC) in Mumbai, Gurgaon and Chennai. It also includes 'Yes Touch Contact Center' located in the NOC Gurgaon. The YES Touch Contact Center is an extension of branches to serve customers to engage and involve customers by delivering banking services on phone.

GREEN BUILDING

YES BANK believes that even workspaces can be green and high-performing from a sustainability point of view. With this line of thought, training was organized in consultation with Godrej Green Building Consultancy Services, to familiarize the Responsible Banking and the Infrastructure and Network Management (INM) teams with the green-building concept. The training further focused on the rating and certification process and provided an in-depth understanding of the sustainability aspects embedded in a project design. It emphasized on sustainable sites, water efficiency, energy efficiency, material & resources and indoor air quality.

YES BANK'S SUPPLY CHAIN

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

- Risk management
- Effective cost management
- Strengthening systems, controls and processes
- Responsible sourcing

The Bank has a diverse supplier base, including suppliers of key platforms on which the Bank operates. With a pan-India presence, it also procures from local vendors for localized consumption of products and services.

The Bank has fostered strategic relationships with eminent Indian and global companies, which not only widen business platforms, but also lay the foundation for a sustainable future. A comprehensive list of YES BANK's strategic relationships can be accessed at https://www.yesbank.in/about-us/corporate-partnership.

To ensure proactive management of strategic supplier partners and adequate risk management, YES BANK has been strengthening its Vendor Management framework. It endeavors to improvise and continually adopt global best practices. The Bank follows the mechanism of segregating its vendors into four categories — strategic, critical, core and basic— and based on this categorization, implements its vendor review and risk management practices. YES BANK has put in place processes to ensure vendor redundancy/business continuity planning (BCP) for critical spends.

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

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

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



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

Schedule 16 – Operating Expenses, in the Annual Report 2017-18, provides a breakdown of the Bank's expenses under various operational heads, including services provided by its supply chain, on page 220 of this report.

SUPPLY CHAIN SUSTAINABILITY

As India's first banking signatory to the UN Global Compact, YES BANK continues to abide by the 10 Principles of the Compact covering four major dimensions — human rights, labor, environment and anti-corruption, The Bank uses them as the foundation for build its sustainable supply chain practices.

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

Through this initiative, the Bank is encouraging its suppliers to support its sustainability agenda. The Bank further expects its supply chain partners to comply with the applicable laws of the land and adhere to internationally recognized ESG standards. The Bank also introduced an ESG self-assessment tool for suppliers to understand their current practices and identify areas for improvement.

WORKPLACE TECHNOLOGY MOBILITY

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

Optimizing IT asset use in service organizations is emerging as a global best practice to reduce generation of e-waste and diminish operational costs. As on March 31, 2018, the Bank had an IT asset to employee ratio of 1.50. During FY 2017-18, the Bank has responsibly disposed 4,700 kg of e-waste through authorized empaneled recyclers.

During the reporting year, YES BANK launched Microsoft Kaizala to help the Bank connect their corporate headquarters and branch office employees with field staff who may be mobile-only users. The tool powers the Bank's sales and distribution workforce across the country to engage over a mobile app and transmit relevant information like sales reports or service requests without the need to connect to the branch or corporate IT network. Consequently, the Bank can serve customers better, with a more productive sales team and real-time updates from the ground for senior management.

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 – 400 018, India
4.	Website:	www.yesbank.in
5.	E-mail id:	yestouch@yesbank.in
6.	Financial Year reported:	FY2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	As per India's National Industrial Classification 2008 (NIC-2008):
		Section K – Financial and Insurance Activities
		Division 64 - Financial service activities, except insurance and pension funding
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	a) Retail Banking
		b) Corporate Banking
		c) Treasury
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	One – The Bank has a representative office in Abu Dhabi, UAE.*
	b. Number of National Locations	The Bank has 1,100 branches, two National Operating Centers in Mumbai and New Delhi, one National Centralized Operations Management and Services Delivery facility in Chennai and 1,724 ATMs, as on March 31, 2018.
10.	Markets served by the Company – Local/State/ National/International/	YES BANK is a pan-India Bank, with branches and ATMs in all states and Union Territories of India. YES BANK operates one Representative Office in Abu Dhabi, UAE, to enhance its engagement with businesses and Indians in this region.

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹):	460.59 crore
2.	Total Turnover (₹):	25,491.25 crore
3.	Total profit after taxes (₹):	4,224. 56 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	1.07%
5.	List of activities in which expenditure in 4 above has been incurred:-	i. YES COMMUNITY
		ii. Livelihood & Water Security
		iii. Say YES to Sustainable MSMEs in India
		iv. YES STEADY – Skill Building & Entrepreneurship
		v. Support to YES FOUNDATION
		vi. Environmental Conservation

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1.	**DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR**	
	A) DETAILS OF THE DIRECTOR/DIRECTOR RESPONSIBLE FOR IMPLEMENTATION OF THE BR POLICY/POLICIES	
	1. DIN Number:	00320702
	2. Name:	Mr. Rana Kapoor
	3. Designation:	Managing Director & CEO

B) DETAILS OF THE BR HEAD

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

2. PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES (REPLY IN Y/N)

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

1. The Code of Ethics for employees and certain policies, including the Citizen's Charter, Charter of Customer Rights, Grievance Redressal and Banking Practice Code are available on the website at https://www.yesbank.in/regulatory_policies.

2. Yes, for certain policies and procedures.

3. The Bank has in place the Environment & Social Policy, which integrates environmental and social risks into its overall credit risk assessment framework. The summary of the policy is available at https://www.yesbank.in/beyond-banking/responsible-banking/responsible-banking/facilitating-responsible-investments/environmental-and-social. The Bank has an Environmental Management Policy which focuses on achieving greater environmental sustainability within the Bank's operations. The Policy is accessible at https://www.yesbank.in/regulatory_policies.

4. Employee focused policies are accessible only by employees and are not shared in the public domain. The Bank's Human Capital Management practices and activities can be accessed at https://www.yesbank.in/work-with-us.

5. YES BANK views the unbanked and under-banked population in rural and urban India as a primary stakeholder for financial inclusion. Through its products and services focused at the Bottom of the Pyramid, the Bank aims to positively impact this marginalized and disadvantaged stakeholder group. The Bank has policies in place, and adheres to regulatory guidelines, to drive its business practices. The Bank has a Code of Commitment to the MSME Sector, which is accessible at https://www.yesbank.in/regulatory_policies.

6. The Bank has several policies and guidelines in place for ensuring all stakeholder rights and the regulatory laws are adhered to in its operations. Through its policies on environmental and social risk assessment, the Bank ensures compliance of all pertinent regulations in its lending portfolio as well. Similarly, the Bank ensures that all regulations are adhered to in its CSR activities.

7. The Bank's Environmental Management Policy is available on the Bank's website at https://www.yesbank.in/pdf/emp. The Bank's CSR Policy is accessible at https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy.

   The Bank's complete response to its environmental priorities and commitments, through business activities, CSR, and other activities, is available in its Sustainability Report, accessible at https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report.

8. The Bank aims to take a leadership position in influencing public policy and discourse by hosting and participating in thought leadership platforms and through knowledge research. The Bank's knowledge banking focus is driven under the umbrella of YES Institute, the practicing think tank at the Bank. Its details can be accessed at https://www.yesbank.in/research-and-initiatives/yes-institute. For additional details, please refer to the responses to Principle 7 in this ABRR.

9. In addition to the Bank's business activities focusing on inclusive growth, and equitable and sustainable development, highlighted in Point 5 above, the Bank creates a positive impact through its CSR activities. The activities and impact are included in the Sustainability Disclosures that is a part of this Annual Report.

2A. IF ANSWER TO 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 at least twice in a year. The Managing Director & CEO is a member of the CSR Committee. The Group President & Global Head, Climate Strategy & Responsible Banking, attends all meetings.

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

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

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

  The Bank publishes its Sustainability Disclosures as part of its Annual Report which is based on the GRI framework. The Disclosures for FY 2017-18 are included in this Annual Report and can be accessed at https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   The Bank has a separate Vendor Management Policy that covers the pertinent issues related to ethics, bribery and corruption. The Bank also has in place a Supplier Code of Conduct in line with the Ten Principles of the UN Global Compact for its strategic suppliers.

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

   Please refer to page 269 for Customer Complaints, page 195 for Shareholder Complaints in this Annual Report.

For Employee complaints, please refer to page 58 of the Sustainability Disclosures in this Annual Report.

PRINCIPLE 2

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

i. Digital Banking – YES MONEY, YES PAY, AEPS

ii. Inclusive and Social Banking –YES LEAP/ YES SAHAJ/ YES Samadhaan /YES Joint Liability Group/Affordable Housing

iii. Sustainable Investment Banking and Corporate Finance – Lending and advisory in clean energy, technology and water, among others

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

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

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

During the year, the Bank's 744 locations, including 4 corporate offices were certified as ISO 14001:2015. The Bank's Environment Management Policy, revised in 2016-17, has a carbon emissions intensity reduction target of 10% year-on-year.

The key initiatives focusing on achieving resource consumption efficiency at the Bank, and the impact achieved, are included in the Sustainability Disclosures 2017-18 that is a part of this Annual Report.

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

Given that the Bank's primary product offerings are financial services, resource consumption during usage by consumers is not a significant material issue for the banking sector in general. During the year YES BANK's 744 locations, including 4 corporate offices were ISO 14001:2015 certified, a globally recognized Environment Management System (EMS). Through this EMS, the Bank makes maximum effort to raise awareness among its customers on efficient resource consumption, and on broader national agendas, such as Swachh Bharat Abhiyan, through YES COMMUNITY and related initiatives.

The Bank is rapidly adopting technology to digitize its operations and product offerings, and has witnessed a strong growth in adoption of mobile banking, mobile wallets and internet banking, thus reducing the incidence of paper usage and travel among its customers. The impact achieved through related initiatives is included in the Sustainability Disclosures, as a part of this Annual Report.

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

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

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

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

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

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

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

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

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

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

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

PRINCIPLE 3

1. Please indicate the Total number of employees.

YES BANK had 18,238 employees as on March 31, 2018.

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

All employees at the Bank are hired on a permanent basis.

3. Please indicate the Number of permanent women employees.

The Bank had 3,294 permanent women employees on March 31, 2018.

4. Please indicate the Number of permanent employees with disabilities

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

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

The Bank does not have an employee association.

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

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

7. Please indicate the Number of complaints relating to child 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	Nil	Nil
2.	Sexual harassment	9	1
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

i. Permanent Employees

The Bank has a separate entity, the YES SCHOOL OF BANKING, as a centre of excellence in imparting learning solutions in banking, skill development and personality development, among others. The Bank's training programs are divided into 5 broad categories: Behavioral and Leadership Skills, Employee Induction, Mandatory Policies and Compliance, Process Training and Product Training. In the reporting period, 15,568 employees were trained under 5,035 classroom-based training programs.

ii. Permanent Women Employees

2,757 women employees were imparted classroom-based training during the year, which is over 83.7% of the Bank's total women employees.

iii. Casual/Temporary/Contractual Employees

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

iv. Employees with Disabilities

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

PRINCIPLE 4

1. Has the company mapped its internal and external stakeholders?

Yes

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

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

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

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

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

PRINCIPLE 5

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

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

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

The Bank did not receive any complaint related to human rights violations from internal or external stakeholders.

PRINCIPLE 6

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

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

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

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

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

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

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

YES BANK is a signatory to international protocols and initiatives, such as the UNEP Finance Initiative, UN Global Compact, CDP (formerly Carbon Disclosure Project), the Natural Capital Finance Alliance, Carbon Pricing Leadership Coaltion, the World Resources Institute India GHG Program, and TERI Council for Business Sustainability, where it works on creating awareness and impact at a global level, on issues of environmental and social significance.

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

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

During the year, the Bank's 744 locations, including 4 corporate offices are ISO 14001:2015 certified, a leading Environment Management System.

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

3. Does the company identify and assess potential environmental risks? Y/N

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

During the year, the Bank's 744 locations, including and 4 corporate offices ISO 14001:2015 certified, a leading Environment Management System. Guided by the certification and its Environmental Management Policy, the Bank assesses the environment risks of its operations.

As part of its overall risk management framework, the Bank has a Reputational Risk Management Committee overseeing its E&S risk preparedness across its business operations and community activities.

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

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

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

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

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

Internally, under its ISO 14001:2015 certification for Environment Management System, the Bank has

launched several initiatives to rationalize resource consumption and reduce waste consumption.

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

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

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

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

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

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

PRINCIPLE 7

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

a. CII

b. FICCI

c. ASSOCHAM

d. Indian Banks Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

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

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

PRINCIPLE 8

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

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

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

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

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

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

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

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

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

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

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

In FY 2017-18, YES BANK spent ₹45.21 crore on CSR, in accordance with Schedule VII of the Companies Act 2013.

A brief outline of the Bank's direct contribution to community development is included in Annexure 1 – The Annual Report on Corporate Social Responsibility (CSR) Activities, on page 133 of this Annual Report .

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

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

PRINCIPLE 9

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

Please refer to page 269 in this Annual Report.

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

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

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

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

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

Please refer to page 250 of this Annual Report for Section 18.6.2 - Disclosure of Penalties imposed by RBI.

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

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

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MANAGEMENT DISCUSSION AND ANALYSIS

EXECUTIVE OVERVIEW

MACROECONOMIC AND INDUSTRY OVERVIEW

The cyclical upswing underway since mid-2016 continued to intensify in 2017, with pickup in growth across developed & emerging markets and notable favourable economic surprises from the US, Europe and Asia. The year 2017 marked the broadest synchronized global growth surge since 2010. As per the IMF (World Economic Outlook, April 2018), annual global GDP growth is expected to have expanded by 3.8% in 2017, a significant improvement from 3.2% in 2016.

Accompanying the improvement in global growth momentum, commodity prices also continued to strengthen in 2017. Demand buoyancy along with weather events in the United States, the extension of the OPEC+ agreement to limit oil production to 2018, and geopolitical tensions in the Middle East supported higher crude oil prices, which rose by ~29% in FY18 to ~USD 66 per barrel by the end of the year. Among other commodities, price of copper and gold rose by approximately 14% and 6% respectively during the course of FY18.

Meanwhile, growth in global merchandise trade volume picked up to 4.9% in 2017 (IMF estimate) from 2.3% in 2016. Growth in global merchandise trade volume superseded the World GDP growth for the first time in nearly a decade. The improvement was driven by recovery in global demand, especially capital spending.

On the inflation front, while the increase in commodity prices, especially crude oil, led to an increase in fuel prices and thereby headline inflation in advanced economies, core-price inflation continued to remain ranged. Among emerging market economies, headline and core inflation have ticked up slightly in recent months after declining earlier in 2017.

On the monetary policy front, 2017 was also testimony to global monetary policies akin to the real economic upswing. While the US Federal Reserve continued to remain on a tightening path by hiking the rates thrice during the course of the year, the Bank of England joined in by raising its policy rate for the first time since 2008 in view of diminishing slack in the economy and above-target inflation driven by the past Sterling depreciation. Further, the European Central Bank announced that it will taper its net asset purchases starting in January. The ECB, however, intends to maintain policy rates at current historically low levels until after quantitative easing ends, and should inflation underperform, extend the asset purchase program in amount and duration.

Looking ahead, global growth is expected to strengthen further over 2018 and 2019. Risks remain from build-up in financial vulnerabilities and inward-looking trade protectionist policies, which could impinge on trade flows and more so on productivity and efficiency.

In line with the uptick in global economic activity, the Indian economy during 2017-18 is projected to see an improvement in GDP growth in H2 to 7.2% from 6.1% in H1 FY18 and 7.5% in FY17, according to the Central Statistical Organization. The withdrawal of legal tender character of specified bank notes (SBNs) by the Reserve Bank of India in November 2016 and the implementation of the Goods and Services Tax in July 2017, resulted in a transient loss in growth momentum, especially in H1. However, the recovery has been stronger in H2 FY18, led by Government consumption growth and gross fixed capital formation. On the sectoral front, while the industry slowed down, higher momentum was recorded for Construction, Transport, Communication, Financial and Real Estate sectors. The recovery is expected to continue with FY19 GDP growth being pegged at 7.5% (YBL Forecast).

Meanwhile, domestic retail inflation continued to moderate despite an increase in global commodity prices. Average CPI inflation in FY18 decelerated to 3.6% from 4.5% in FY17. A favourable monsoon, efficient food supply management by Government and continued rationalization in Minimum Support Prices helped keep food inflation in check. The moderation in food inflation more than offset the uptick in fuel inflation due to higher crude prices and Housing inflation due to 7th Central Pay Commission HRA norms.

India's external position remained on solid footing in FY18. Despite the anticipated rise in the Current Account Deficit (CAD) to 1.9% of GDP in FY18 (YBL Forecast) from 0.7% in FY17, robust net FDI and portfolio inflows helped more than bridge the CAD. As such, overall BoP balance is expected to remain in surplus of USD 20 billion in FY18 (YBL Forecast) compared to USD 22 billion in FY17.

Further, foreign exchange reserves continued to rise to an all-time high of USD 424 billion as of end FY18.

On the fiscal front, given that 2017 was an exception year due to implementation of GST, the government slipped on its fiscal deficit target by 30 bps with upward revision in FY18 fiscal deficit target to 3.5% of GDP. However, the Government has committed returning to the path of consolidation by projecting to reduce fiscal deficit to 3.3% of GDP in FY19. It also adopted key recommendations of the Fiscal Responsibility and Budget Management (FRBM) panel by accepting Government debt as the nominal fiscal anchor and fiscal deficit as the operational anchor. The medium term fiscal policy aim is to reduce the cumulative government (Center + State) debt to 60% of GDP by FY25.

On the monetary policy front, the RBI reduced the repo rate only once by 25 bps to 6.00% during the course of FY18. The 25 bps cut came in Aug-17 at a time when June CPI inflation at 1.46% provided comfort. However, amidst upward inflation trajectory in H2 FY18, the monetary policy committee remained vigilant.

From an average surplus of ₹3,508 billion in Q4 FY17, money market liquidity surplus steadily declined to ₹77 billion in Q4 FY18. Build-up in the Government's surplus cash balances since December 2017 along with increase in currency in circulation weighed on liquidity in recent months.

On the bond market, the 10-year G-sec yield rose by 72 bps to 7.40% during the course of FY18. Uptick in inflation trajectory in H2 FY18, slippage in FY18 fiscal deficit and fast dwindling surplus on money market liquidity, amidst rise in global crude prices and hardening of US treasury yields cumulatively weighed on the market sentiment.

Over the course of FY18, the Indian rupee weakened marginally by 0.5% and closed the year at 65.18 vis-a-vis the US dollar. Rupee largely remained stable amidst recovering global growth, a softer dollar and benign global financial market conditions. In addition, favourable domestic factors like normalization in H2 FY18 growth momentum and sovereign credit rating upgrade by international rating agency Moody's aided sentiment.

BUSINESS SEGMENT OVERVIEW

CORPORATE BANKING

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

The Bank's CB group offered comprehensive client focused services comprising Working Capital Finance, Term Loans, Specialized Corporate Finance Products, Trade & Transaction Banking Products, Cash Management Services, Debt Capital Markets, Treasury Services, Investment Banking Solutions and Liquidity Management Solutions, among others. YES BANK prioritized credit quality and all offerings were made following a rigorous analysis of the client's risk profile as well as proactive monitoring of credit, market and operational risks.

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

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

MULTINATIONAL CORPORATE BANKING

YES BANK's Multinational Corporate Banking (MCB) group is focussed on providing comprehensive client focused services comprising Liquidity Management Solutions, Trade & Transaction Banking Products, Treasury Risk Management Solutions, Cash Management Services, Working Capital Finance, Term Loans, Specialized Corporate Finance Solutions, Debt Capital Markets and Investment Banking Solutions to multinational corporate clients and embassies.

The Bank has positioned itself as the preferred host country banking partner to international business houses by extending its best-in-class service expertise, a strong technology platform for banking transactions, and a deep understanding of the country's regulatory framework to guide new to India establishments on banking matters, and help them focus on their core business. The Bank is aligned with the Indian Government's Make in India initiative and contributes to improving Ease of Doing Business for international companies.

The Bank has built a self-financed sustainable asset book for this segment through a strong focus on liability mobilization and comprehensive credit analysis of the borrower company's domestic and international businesses. Looking beyond transactional banking

with an unrelenting focus on Knowledge Banking, the Bank has emerged as a strategic partner in the India growth story of several marquee multinational corporates.

The Bank has strategized growth of its Multinational Corporate Banking franchise through alliances with progressive international banks. During the year, the Bank signed an MoU with Santander Bank, one of the most well-respected and technology focused European banks. Within a short time, this alliance has helped both banks to complement their respective strengths and support their customers in establishing businesses in new markets. With Knowledge Banking, a key pillar of this alliance, both banks have collaborated in segments like Food, Beverages and Agri-processing to maximize outreach into the European market for GoI initiatives such as Make in India and SAMPADA schemes. The partnership also helped several companies participate in World Food India 2017, a gateway to the Indian food economy. The Bank looks forward to building on the strength of this alliance in 2018, as well as find more such alliance opportunities with other banking partners.

EMERGING CORPORATES BANKING

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

The Emerging Corporates Banking (ECB) group, focuses on corporates with turnover between ₹500 crore and ₹1,500 crore. It plays a crucial role by developing a thorough understanding of companies' banking needs and delivering customized solutions including trade, forex and advisory services, besides efficient cash management and digital banking products throughout the 'lifecycle' of the Company. The Group continues its Knowledge Banking approach to cater to the requirements of growth sectors including Auto Components, Food & Agri-processing, Media & Entertainment, and Pharmaceuticals & Specialty Chemicals.

Recognizing the growth and the need for increased local presence, the Group has enhanced its footprint and is now present in 16 locations across India. The emerging needs of this diverse segment present a significant opportunity for the Bank, and the ECB group is well poised to seize it through innovation and differentiation.

MEDIUM ENTERPRISES BANKING

With the economy on the cusp to consolidate gains from the recent reforms, India is witnessing an optimism in the business environment. Various Government initiatives and availability of skilled manpower have led to the growth of mid-sized corporates across various manufacturing and service industries. This has also reflected in the growth of the Bank's Medium Enterprises Banking (MEB) group, focused on servicing mid-sized corporates with a turnover ranging from ₹100 crore to ₹500 crore.

Considering the high growth nature of the Bank's clients, the MEB group adopted a 'Lifecycle Banking' philosophy to fulfil the banking needs of these corporates across all stages of their growth cycle. The impetus continued to be on servicing clients through a solution centric 'Money Doctor' approach, balancing client expectations and the Bank's risk mitigation strategies. With presence across 34 locations, the Bank's unique positioning provides an opportunity to offer the entire product suite with tailor-made solutions. The Bank helped forge a number of success stories across industries, such as Life Sciences, Healthcare, Food & Agri, Auto Ancillaries, Education and E-Commerce.

Further, the MEB group addresses the lifecycle banking requirements covering the entire value chain of the clients, ensuring deepening and retention of client relationships. The Group concentrates on granularity, profitability and capital efficiency by focusing on referral-led business origination and cross-sell.

GOVERNMENT BANKING

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

Over the years, the Bank has provided financial and advisory services to Ministries under the Union Government, State Governments, Central and State Public Sector Undertakings (PSUs), Boards and other affiliates. The Bank remains committed to delivering innovative, structured and comprehensive solutions, accomplishing several landmark transactions with Maharatnas, Navratnas, Mini-Ratnas and other apex institutions, and developed meaningful relationships with over 850 entities across India. The GB group remains committed to the core values of client origination, innovation and superior service, and has over 100 experienced and seasoned bankers in 56 locations across the country.

The Bank displayed strong commitment towards catalyzing sustainable growth in the country by partnering with the Central Government in their flagship events during the year besides actively engaging with State Governments as Knowledge Partners for their Investment Summits. The Bank partnered with NITI Aayog for the

8th Annual Global Entrepreneurship Summit (GES) 2017 at Hyderabad. The Bank was also a key contributor to the Founding Ceremony of the International Solar Alliance (ISA) in March 2018, where the Bank showcased its strengths and leadership in the renewable energy space. The Bank was also the exclusive Knowledge Partner to the TERI – World Sustainable Development Summit 2018. The Bank was at the forefront in World Economic Forum (WEF) held in Davos this year, co-hosting a round table on Skill Development. The Bank also partnered the recently concluded WINGS INDIA 2018 and Agriculture 2022.

The Bank made concerted efforts towards supporting 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. The Bank made inroads into the welfare trusts management of leading Central and State Public Sector Undertakings through its differentiated and competitive SA offering, complementing the Bank's efforts to build a sustainable CASA book.

INDIAN FINANCIAL INSTITUTIONS BANKING

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

The Bank actively engages with institutions like SIDBI, NABARD, EXIM Bank and NHB to avail refinance, and with overseas branches of domestic banks to avail foreign currency long-term borrowings. The Group also undertakes Primary Dealership sales function through distribution of Government Bonds across various institutional and retail segment investors.

Marquee deal that the Group closed in FY18 was:

- Acted as sole arranger of India's 1st Social Affordable Housing Bond issue of ₹10 billion by Indiabulls Housing Finance Limited.

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

- Launch of multi-currency Forex (FX) Card, wholesale purchase and sale of foreign currency and Host-to-Host (H2H) Facility for Authorized Dealer II (AD-II) related remittances for money changers/foreign-exchange players.
- Application Programing Interface (API) Banking to offer real-time/instant banking facility to NBFCs, Mutual funds, Stock Brokers, Cooperative Banks and other Financial Institutions – a technology which is emerging as a key product to integrate and streamline the transaction processing cycle.
- Preferred sponsor Bank for LIC to process remittance of scholarships to students under Public Financial Management System (PFMS) program with expected monthly volume of over 1 million transactions.
- Correspondent banking with over 400 Cooperative Banks and Regional Rural Banks by offering sub-membership of RTGS / NEFT services, automated solutions for cheque clearing under CTS, sponsorship of ATM transactions, enabling merchant acquiring through deployment of POS terminals, collection of subsidy and grants under DBTL scheme, and integrated investment solutions viz. CSGL account services to benefit them and their customers.

INTERNATIONAL BANKING

YES – International Banking Group has developed widespread partner network of international banks, financial institutions, exchange houses and official bodies. The Bank executed marquee transactions across products and geographies through their global banking partner network.

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

The Group continues to raise large-ticket offshore borrowings for the Bank by tapping unique structures and new geographies.

- The Bank successfully completed issuance of its maiden **USD 600 million bond MTN issue** in the international debt markets. The Bond is listed on London Stock Exchange International Securities Market (LSE ISM), Singapore Exchange Securities

Trading Limited (SGX) and India International Exchange IFSC at Gujarat International Financial Tec-City (GIFT City), Gandhinagar.

- **European Investment Bank (EIB)** and the Bank have entered into a USD 400 million co-financing program to increase lending to renewable energy power generation across India, with special focus on construction of new solar plants and wind farms across the country. This novel initiative – where EIB will lend USD 200 million to the Bank for 15 years for on-lending to the renewable sector – is EIB's first partnership with the Bank and is also EIB's first-of-its-kind financing agreement for renewable energy in Asia.
- YES BANK raised USD 150 million long tenor loan from **Overseas Private Investment Corporation (OPIC)** – US Government's development finance institution – and Wells Fargo to increase lending to MSMEs in India. USD 50 million of the financing is specifically being used to expand support to women-owned businesses, while another USD 50 million is being utilized for financing MSME businesses in low-income states.
- Following its maiden loan issuance in the **Taiwan loan market** in the previous year, the Bank has successfully closed a 5-Year Syndicated loan facility this year, led by CTBC Bank, Bank of Taiwan, Mega International Commercial Bank and Land Bank of Taiwan, which also saw participation from 17 banks. The syndication which closed at USD 250 million, saw a total subscription of USD 355 million and ranks amongst the largest bank participations in a Taiwan loan transaction.
- The Bank raised its maiden **Samurai Loan** in a syndication led by Bank of Tokyo-Mitsubishi UFJ Ltd. (MUFG). The issue was successfully closed with oversubscription and saw total participation of JPY 16.5 billion (~USD 150 million) across eight banks.
- Extending the Bank's established credentials within the Developmental Financial Institutions (DFI) community, the Bank has successfully raised a USD 30 million, 8-year **Green loan from OeEB, the Development Bank of Austria**, to finance renewable energy projects in India.

The Group has also leveraged its global banking partnerships to support the Bank's increasing FCY lending requirements through a diverse mix of borrowing avenues aggregating to over USD 2 billion during the year.

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

International Footprint

YES BANK established its international footprint by inaugurating its first international office in the form of a Representative Office at Abu Dhabi, UAE, in April 2015. The Representative Office has provided great convenience to NRI customers by facilitating a host of Banking, Financial and Investment consultation services of the Bank in UAE and has played an important role in promoting the Bank's services to the larger NRI diaspora in the country. Additionally, it has provided a significant brand value and visibility of the Bank in UAE. The Bank has also received approval from the Reserve Bank of India (RBI) to open two representative offices in London and Singapore, respectively. The Bank continues to explore expanding its overseas presence with a view to promote the Bank's services to the NRI diaspora.

The Bank was the first bank in India to commence operations at International Financial Services Center (IFSC) at GIFT City, Gujarat, in October 2015 and continues to be the largest Bank in terms of volumes at GIFT IFSC with balance sheet size crossing USD 2.5 billion as on March 31, 2018. GIFT-IFSC Banking Unit (IBU) provides comprehensive solutions for the Bank's clients' foreign currency banking requirements in the areas of Cross Border Trade offerings, External Commercial Borrowings and Foreign Currency Loans/Syndications, Arrangement/Underwriting of Masala Bonds issuance by Indian Corporates among others. The Bank continues to introduce new initiatives at GIFT-IFSC – YES BANK is the first entity to setup its MTN program for USD 1 billion at GIFT-IFSC and also the first to list its Bonds on Global Securities Market (GSM) at India INX, India's first International stock exchange, promoted by BSE, which opened in 2017 at GIFT-IFSC. The Bank successfully raised USD 600 million through issuance of Reg S Senior Unsecured 5-year Bonds, which is also the largest debut international bond issuance by an Indian Bank.

BRANCH BANKING

In FY 2017-18, YES BANK's geographical footprint expanded to 1,100 branches spread across 725 locations with 1,724 ATMs and BNAs. The Bank continues to build on the deeply institutionalized strategy of strengthening presence across all State Capitals, Top 200 Deposit Centers, Delhi-Mumbai Industrial Corridor, Special Economic Zones, Economic Promotion Zones, Food Parks, Agri-Parks, Ports etc. with a well-balanced parallel focus on financially-efficient Inclusive Banking. The Bank has placed considerable focus on branch penetration in Rural, Agri and MSME geographies by

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

This financial year saw a host of new developments in the Branch-Banking segment. The Bank has piloted YES asap! – a paperless account opening solution. The Bank is not only introducing these efficiencies across customer interfaces but across internal processes as well. Sales Management has been digitized which enables the sales staff to execute lead generation and closure on mobility platforms while allowing the sales leadership to digitally connect with staff and monitor business progress. The Bank has capitalized on the efficiencies generated by these digital interventions by fundamentally transforming the Branch Banking business through adoption of a lean operating model under which the sales hierarchy has been rationalized for achieving optimum ROI.

New Deposit Product Variants

The Bank has extended its existing portfolio by introducing focused and tailored proposition for specific segments including Farmers, Chartered Accountants, Diagnostic centers, Non-Formal Education institutes and Housing societies. YES BANK's first-of-its-kind, customizable savings account proposition has been further strengthened by the YES Prosperity Ascent tier, thereby providing customers with higher benefits and a more attractive product proposition at a competitive price point.

Industry First Digital Initiatives for MSME customers

YES MSME: The Bank has introduced the industry's first comprehensive mobile banking application and portal for MSME customers. The app provides a single interface for multiple banking needs and cash flow management on the go.

API Banking: As a part of YES Fintech program, the Bank has collaborated with 'Numberz', a start-up fintech, to launch a specialized Current Account Proposition. The proposition caters to business requirements around invoicing, taxation and accounting automation, integrated to YES BANK payments API and e-collect API.

Introduction of Sales-force Efficiency Tools

YES Pulse Mobile CRM: As a part of its drive to improve sales efficiency, the Bank has extended its CRM platform to mobile. YES Pulse Mobile CRM facilitates end-to-end sales-force management and effective customer contact through digitization.

Kaizala: The Bank has developed an enterprise-wide mobility-based sales review platform with secure two-way communication capabilities. The platform aids in broadcasting announcements, conducting surveys, setting up meeting requests, sales number collections and consolidation, thereby enhancing the sales productivity.

All-New Debit Card Variants

YES BANK has ramped up its existing portfolio of Debit Cards with the introduction of Near Field Communication (NFC) technology across card variants to enable contactless payments. Segmented across its flagship customer segments, YES Prosperity and YES FIRST, these Cards have been carefully customized and designed around the specific needs of Debit Card customers. The new Debit Cards offer unique benefits such as Reward Points on all spends, NFC-enabled contactless payments, complimentary lounge access at domestic airports on selected Debit Card variants, MasterCard Golf lesson on YES FIRST range of Debit Cards and YES InControl-Card spend management features. The YES Prosperity Debit Card range comprises of YES Prosperity Titanium, Titanium Plus, Platinum and RuPay Platinum Debit Cards, whereas the YES FIRST range includes the YES FIRST WORLD Debit Card. The Bank will issue these cards to all new customers, and also focus on offering them to its existing Debit Card customers. The Bank is also planning to launch a new Debit Card variant 'YES PREMIA WORLD Debit Card' for its customers in YES Prosperity and YES FIRST segments.

ATMs/Recyclers

YES BANK has 1,724 ATMs and Bunch Note Acceptors/ Recyclers (BNA) as of March 31, 2018. Bunch Note Acceptors have been appreciated by many Corporate Clients as they offer multiple advantages while fulfilling corporate cash collection needs. The Bank has become the first Private Sector Bank to go live on Interoperable Cash Deposit platform and now YES BANK BNAs/ Recyclers can be used for depositing cash into any other bank account. The Bank is also the first to offer recharge codes for Google Wallet on its ATMs. YES BANK ATMs now offer a wide array of services right from Cash Withdrawals to Mobile Recharge Payments as well as YES BANK Credit Card Bill Payments.

Digital Banking

YES BANK has continued investing significantly in new-age mediums and digital technologies to achieve heightened customer engagement and experience. The Bank realizes that 'Digital' is steadily growing as a preferred medium for customers to avail banking services and has invested

in upgrading core systems like CBS, Debit Card Switch, Mobility Platforms, Chatbots and will continue to do so for the coming 18-24 months to create a next-generation banking platform which can provide unified digital experience across internet, mobile, voice and bot channels.

The Bank has pioneered the implementation of 'Bots' technology for Customer Acquisition, Personal Banking Assistant, Cross Sell and Customer Servicing for various businesses. Unlike other Bots which largely restrict users to explore services or seek product information, YES BANK Bot also allows customers to transact over chat. Further, as Aadhaar proliferates, the Bank shall focus on launching Aadhaar based Banking and Payment Services (AEPS and Aadhaar Pay). In this regard, the Bank has partnered with industry pioneers to launch IRIS and EMV-ready payment solutions. The Bank is creating Centers of Excellence for Robotics and Analytics which shall play a key role in reducing service times and enhancing the quality of customer interactions, which are the key elements for customer delight. Digital Payments is another area where the Bank has been focusing to gain leadership position. The Bank has plans to scale other payment services like IMPS, BBPS and Prepaid Payment Instruments through third-party networks. Contributing to the Prime Minister's Digital India and Smart City Mission, the Bank is working with multiple State Governments and Municipal Corporations by offering them customized smart city solutions for digital payments. The Bank has been selected to partner with Maharashtra, Rajasthan, and Chhattisgarh State Governments and Rajkot Smart City.

POS

YES BANK has always focused on implementing the latest technology and is one of the first Banks to launch 'Wallet & UPI acceptance on POS' in partnership with BONUSHUB, adding to its current product suite of GPRS, PSTN, MPOS, PCPOS and NFC enabled terminals along with Bharat QR code. The Bank is one of the fastest growing market players in POS Business with its terminal base growing by 2.2x over last FY to 72,000 terminals spread across 200 cities covering various sectors and segments.

Currency Chest

The Bank is expanding its network of Currency Chests and Small Coin Depots and now has two Currency Chests operational in Delhi and Mumbai, with a few more on the anvil. Establishing Currency Chests reflects YES BANK's support to Reserve Bank of India's endeavor to increase the efficiency of currency management in the banking system. During the year gone by, the Bank ensured optimum supply of fresh/issuable currency across all touchpoints.

Contact Center

YES BANK has established dedicated 24/7 inbound contact centers for Liability, Asset and Credit Card customers to resolve queries, complaints and service requests in three locations, namely Mumbai, Chennai and Gurgaon, providing multi-lingual servicing in regional languages in addition to English. A dedicated 24/7 desk for Super Premium Credit Card, MasterCard World Elite & Concierge services was established in August 2017 to provide bespoke services for niche clients. Apart from rendering services, the contact center has commenced prospecting for Bank products, viz. Term Loans, Retail Assets, CASA & Credit Cards. In compliance with regulatory directives, a dedicated desk for customers wishing to reach out to Senior Management was established in April 2017. The Contact Center has embarked on extending the servicing platform to the Bank's corporate clients and merchant establishments as well. A dedicated team along with the required infrastructure and processes is being set up to extend the services for corporate clients.

YES FIRST

The Bank offers YES FIRST program to address the unique requirements of the High Net-worth Individuals (HNI) segment. It encompasses best-in-class banking products – Retail & Business Loans, Credit Cards and Wealth Management Solutions – in addition to a dedicated Relationship Manager. In an endeavor to enhance customer service experience, the Bank has also launched a dedicated Priority Queue for servicing HNIs at the 24/7 Contact Center.

In addition, the Bank has also introduced YES Robot, a virtual assistant which uses artificial intelligence to help customers with their banking requirements quickly and efficiently. The Bank also provides curated and differentiated experience for YES FIRST customers through exclusive benefits, select lifestyle offerings and knowledge-based events. For instance, 'Budget Decoded' sessions were conducted for customers in 12 cities in India along with events in Dubai and Bahrain, which were very well attended and appreciated by YES FIRST clients.

Global Indian Banking

YES BANK offers best-in-class banking products and services for Indians settled across the globe and strives to continually enhance these offerings. This financial year saw a host of developments across our Global Indian Banking (GIB) proposition. The Bank strengthened its offerings enabling booking of non-resident term-deposits over Phone Banking as well as through Swift. The Bank completely overhauled its inward remittance solution, YES Remit, which now provides state-of-the-art

user interface and enables access across touchpoints – desktops, laptops, tablets and smartphones. The Bank also launched GIB Corporate Proposition to enhance alliances with corporates by offering best-in-class banking solutions for their expat employees, which will contribute towards build-up of granular GIB liabilities. NRI Festival FY 2017-18 was also conducted to enhance visibility of YES BANK's NRI Services by engaging with various NRI associations, clubs and societies across the country and overseas. The Bank's Representative Office in Abu Dhabi has completed two years of operation and has contributed to making UAE our largest market for the GIB business.

Rural and Inclusive Branch Banking

YES BANK now has a well-entrenched presence in the rural and semi urban segment with an exhaustive network of over 400 banking outlets. The Rural and Inclusive Branch Banking vertical today comes with a wide array of customized product propositions across liabilities, assets and third-party insurance and investment segments. The Bank has launched differentiated asset products in Farmer Finance, Allied Agriculture Finance, Farm Mechanization Finance and Micro-Enterprise Finance space to cater to the multi-faceted needs of the 'RURBAN' customers. The Bank continues to proactively engage with the local community and has conducted over 3,700 financial literacy camps in the rural and semi-urban geographies.

CREDIT CARDS

The Bank recently announced the launch of the uber-exclusive Yes Private Credit Card. This card has been introduced for the first time in India on MasterCard's premium global platform – WORLD ELITE. This top-of-line WORLD ELITE platform, focused on ultra HNIs, is available only in select developed countries globally such as the US, Canada and Singapore. The card is available 'by invitation only'. With the launch of Yes Private Credit Card, the Bank now offers a wide range of 10 Credit Card product variants across its flagship customer segments of YES FIRST and YES PROSPERITY. This wide range of portfolio is backed by a highly effective Alliance and Loyalty program, digitized acquisition and servicing platforms, and above all, a very robust and effective credit-management framework. With more than 2 lakh Credit Cards issued and monthly spends of above ₹200 crore, the Bank is poised to significantly scale up the Credit Card business. The cards are designed to offer superior benefits on the back of world-class technology, class leading alliances and partnerships. Backed by a consistent and superior service experience, the YES BANK Credit Cards program has been orchestrated to be the card of choice for the Bank's customers.

RETAIL BANKING ASSETS

In line with the objective of continually strengthening the retail offerings, and with customer satisfaction as the main objective, the Bank has expanded the product offering by aligning Working Capital under Micro Enterprises Banking Group (for customers with turnover of up to ₹15 crore) within the overall Retail Banking Assets Group. The Bank's customers can select a wide range of Retail Loan products like Affordable Home Loans (YES KHUSHI), Home Loans, Car Loans, Super Bike Loans, Commercial Vehicle Loans, Construction Equipment Loans, Loans against Securities, Gold Loans, Personal Loans, Secured Business Loans, Health Care Finance and Printing Equipment Finance along with Working Capital under one roof. This will help the Bank in increasing wallet share of the customer with a 360-degree approach. The Bank has entered into Preferred Financer agreement with leading automobile manufacturers across Cars, Commercial Vehicles and Construction Equipment, thereby giving access to the wholesale and retail business of the manufacturing dealers across the country. The Bank currently offers retail products across 68 locations in 490 branches. ISO 9000:2015 certification has been accredited to the Personal Loan business, reflecting adherence to ISO global standards on process efficiencies. Noteworthy here is that the Bank has also won FINNOVITI 2018 award for its application 'YES ENGAGE', a Chatbot based Sales-force Management and Planning tool, within six months of launch.

SMALL ENTERPRISES BANKING

YES BANK has adopted a focused approach to serve small enterprises throughout their lifecycle and has developed expertise to provide industry specific and need-based financial solutions. The Small Enterprises Banking (SEB) focusses on servicing entities with a turnover in the range of ₹15-₹100 crore. 'Knowledge Banking' clearly distinguishes the Bank from its peers in this space. The Bank's offerings are also fully aligned with the Government's vision of 'Make in India' and an inclusive banking approach has promoted employment generation, growth and competitiveness amongst target customers. The Bank is continuously working towards making the banking experience more convenient by introducing simplified products, implementing large format digitization and reducing the overall turnaround time. The Bank has also developed long-standing and meaningful associations with e-commerce and fintech companies in this domain. The Bank has inked MoUs with Government of Maharashtra and the Food Processing Ministry to provide easy and inclusive financial assistance and has also partnered with NSIC, SIDBI, CRISIL, EDII (Entrepreneurship Development Institute of India) and

other key institutions in this space to ensure that the customers have access to best-in-class schemes and benefits.

PRODUCT CAPITAL

TRANSACTION BANKING

The Transaction Banking Group (TBG) specializes in core banking offerings like Cash Management Services, Capital Markets and Escrow Services, Trade Finance and Services, Supply Chain Finance, Bullion and Digital Transaction banking, provided under the aegis of the **YES Transact** brand. The key focus of the team is to conceptualize and deliver quality products and services seamlessly. The team comprises domain specialists from diverse backgrounds with significant experience in interacting with customers to understand, address and fulfil their strategic, financial and operating requirements in the following areas:

- Working Capital and Liquidity management
- Treasury integration
- Risk management
- Inbound and Outbound remittances
- Digital 'Channel Finance' solutions including Factoring
- Integrated API Banking solutions aiding process automation and/or integration with the customer's systems
- Customized and Innovative solutions aiding process automation and/or integration with the customer's systems
- Regulatory and International Trade Advisory including current and capital account transactions
- Digitized solutions for domestic and Cross-Border Trade transactions
- Bullion Sales and Gold Metal loans

Digitized Transaction Banking product suite is continuously expanding in scope through its Knowledge Banking strategy and has found strong demand from corporate customers. The Bank's 'Integrated Financial Supply Chain' solutions assist the client in reducing cost and avoid supply chain disruptions while managing associated risks.

There is an enhanced focus on digitization of processes with the ultimate aim of enhancing customer experience. The Group has strengthened its focus on its digital strategy by building synergies amongst different product verticals, enabling unique opportunities for clients. The state-of-the-art Corporate Net Banking (CNB) online platform provides comprehensive coverage across Cash Management, Digital Trade Finance and Digital Supply Chain Finance solutions to corporate clients and their constituents.

YES BANK is also building on its hugely successful API Banking franchisee by adding more services under this channel. The Bank is already a market leader in the Cash Management space on this channel and has now made inroads into the Supply Chain Financing space as well. This year, the Bank will be introducing Trade Finance transactions to the 'Bank from the ERP' suite of products.

The Group also has a dedicated B2B2C arm to focus on ecosystem banking. This enhances product penetration across all corporate relationship groups with the objective of increasing cross-sell opportunities as well as enhancing the retail liability business.

As a testimony to the best-in-class offerings by the Group, the Bank has won several national and international awards and accolades in FY 2017-18. This includes the 'Global Winner' in the Supply Chain Finance category and the Transaction Bank of the Year for Asia-Pacific by The Banker. The Group also won the 'The Best Bank for Payments and Collections' in the Asia-Pacific region by Global Finance, 'Best Trade Finance Bank in India' from The Asian Banker, Celent Model Bank 2017 Award for Payments Product for API Banking and 'Best Supply Chain Vendor Financing – Blockchain' at the Finnoviti awards, 2018.

FINANCIAL MARKETS

Backed by experienced professionals and best-in-class technology, the Financial Markets (FM) Group at YES BANK offers a competitive and comprehensive line of financial market products and services to its clients. The team proactively assists clients by making them aware of the risks they face with respect to capital raising, investments, exports, imports and other market risks.

The Forex Exchange (Fx) Sales & Structuring business offers various hedging products, including interest rate swaps, currency swaps, options and currency derivatives, to aid effective risk management for Foreign Currency and Interest Rate exposures faced by its clients. In addition to USD, the Bank offers competitive Fx rates for client transactions in 18 currencies. With service excellence as the primary objective, the Bank has developed a state-of-the-art Fx pricing engine capable of streaming Fx rates on API functionality to any internal or external platform. Also, during FY18, the Bank completed the upgrade of its core Treasury Application.

The Bank's well-established and buoyant Debt Capital Markets (DCM) business originates and distributes onshore Non-Convertible Debentures, offshore Masala and FCY bonds, Commercial Papers and other Structured

instruments. YES BANK continues to be an active market maker in the Indian Corporate Bond market, and has been a leading contributor in deepening the Bond Market in India while introducing numerous first-time issuers to Corporate Bond Market.

During FY 2017-18, YES BANK's DCM business has successfully concluded the following marquee transactions:

- Joint Lead Manager for Indian Renewable Energy Development Agency's (IREDA) Maiden Green Masala Bond of ₹1,950 crore
- Joint Lead Manager for GMR Hyderabad International Airport Ltd.'s Senior Unsecured USD issuance of USD 350 million
- Joint Lead Manager for YES BANK's maiden MTN (Reg S) issuance of USD 600 million
- Sole Investor for Reliance Industries Ltd.'s NCD issuance of ₹5,000 crore

YES BANK was ranked No. 2 by Prime Database in the 'Private Issuers Category – Manufacturing & NBFCs' of the Arrangers League Table and was ranked No. 7 in the 'All Issuers Category' League Table by Prime Database for FY 2017-18. Further, the Bank was ranked No. 7 by Bloomberg in the India Domestic Bonds League Table for CY17.

The Bank is a Primary Dealer (PD) for Government of India securities and as part of this mandate underwrites and bids for these securities in the auctions held by the Reserve Bank of India from time to time. The PD desk actively trades and distributes dated securities, T-bills and State Government Bonds, thus encompassing the complete suite of Sovereign Debt Products.

The FM Group also conducts proprietary trading to maximize earnings by optimal risk-taking across fixed income and global foreign exchange markets. Additionally, it is responsible for Balance Sheet Management, Liquidity Monitoring, Maintenance of Cash and Statutory Reserve requirements and day-to-day Fund Management of the Bank. Subordinated and hybrid debt capital for the Bank is also raised by the FM Group. ICRA (Moody's affiliate in India) has reaffirmed the Bank's A1+ rating for its ₹10,000-crore Certificate of Deposit program. A1+ rating indicates the highest level of safety in the short term. Also, the Bank's senior debt program is rated AA+ (Positive Outlook) by ICRA and AA/Stable by India Ratings and Research Pvt. Ltd.

LOAN SYNDICATIONS

The Loans Syndication (LS) team has created strong brand equity across stakeholders like banks, NBFCs and other financial institutions. Over the years, the team has demonstrated strong credit appraisal and structuring skills, sectoral knowledge, relationship management and debt placement, which has been appreciated across the stakeholder spectrum and is reflected in the results below. The Loans Syndication (LS) team has sold down long-term bulk exposures to banks and financial institutions, improving capital churning and effective yields on the Bank's advances.

- The LS team has successfully placed underwritten deals aggregating to approximately ₹28,000 crore (~USD 4.30 billion) in CY17, significantly improving ROE on underwritten transactions for the bank. The clientele comprises pedigreed players across the manufacturing, renewable energy, power transmission, ports and real estate sectors.
- The team's consistent performance has continued to place the Bank amongst top 7 syndicators in League table ranking by both Bloomberg and Thomson Reuters for CY17.

ASSET RECONSTRUCTION AND MANAGEMENT GROUP

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

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

The Group's focus resulted in the Bank continuing to be reflected in best-in-class credit metrics.

YES SECURITIES

YES SECURITIES (India) Limited (YSIL), the Bank's Investment Banking, Merchant Banking and Broking subsidiary, completed four years of operations in FY 2017-18. During the year, YSIL continued to offer its best-in-class 3-in-1 proposition in multiple cities including Mumbai, NCR, Bengaluru, Chennai, Hyderabad, Kolkata, Chandigarh, Pune, Ahmedabad and Jaipur.

YES SECURITIES is a well-integrated financial services firm offering a gamut of services such as Investment Banking (including Sustainable Investment Banking), Merchant Banking, Institutional Sales & Trading and Equity Research to its clients. The firm is a registered securities broker with SEBI and is also a member of NSE and BSE. The Company's web and mobile investment platform (app available on iOS and Android) saw consistent growth in client transaction volumes leading to record average daily turnover (DAT) metrics through the year. YSIL's Research desk continues to deliver solid fundamental and technical views and is closely followed by clients for its in-depth coverage.

Product Launches:

- YES Systematic Value Subscription Plans (SVSP) – extension of Value Subscription Plan (VSP), which is a volume-linked advance brokerage plans offering reduced brokerage rates for clients who wish to invest in direct equities through SIP route for long term wealth creation
- YES Securities Selectus – a Premium Portfolio Investment Advisory product offered to wealth-category clients
- YES NRML – a leveraged product for High Volume Traders

Investor Education Initiative(s):

- YES MasterClass
  - Multi-city events organized to deliver investor education and investment related insights to existing and potential YSIL customers
  - Subject-matter experts from respected financial services institutions address the audience with the sole purpose of empowering them to make more informed investment decisions
  - In FY 2017-18, YES MasterClass travelled to over 5 cities and addressed 700+ financial enthusiasts and investors

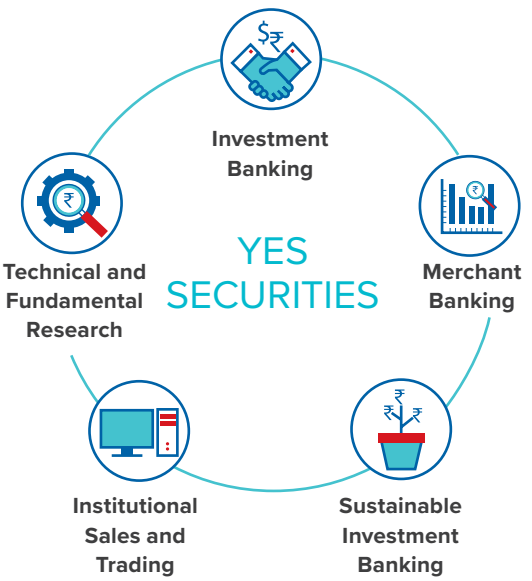
Further, in FY 2017-18, YSIL continued to build its Institutional Broking capabilities and secured empanelment as a Broker with several leading institutional and corporate clients.

Investment Banking: The Investment Banking team provides M&A and Capital Advisory services to large and mid-market corporate and financial sponsor clients through key products such as Mergers & Acquisition Advisory and Private Equity fund-raising.

YSIL's highly-experienced teams offer expertise across a variety of sectors including Food and Agribusiness, Media and Entertainment, Consumer Markets, Infrastructure and EPC, BFSI, Internet and E-commerce, Industrials and Logistics to corporate clients.

YSIL's Investment Banking closed 6 transactions during the year under review. Some of the representative transactions concluded by the team include:

- Lead financial advisor to Videocon Group for merging the direct-to-home (DTH) business housed under Videocon D2h Limited with Dish TV of Essel Group – Largest ever media sector M&A transaction in India
- Strategic and financial advisor to Mr. Siddharth Gupta (Ex MD of MGF Developers) for raising PE from Virtuous Retail to develop a 0.8 million sq. ft. retail mall in Delhi
- Exclusive strategic and financial advisor for sale of North Country Mall
- Strategic and financial advisor to Signature Global for raising growth capital from KKR
- Exclusive strategic and financial advisor to Massive Restaurant and Everstone Capital for raising funds from Gaja Capital
- Exclusive strategic and financial advisor to Travel News Service for stake sale to Future Retail



Merchant Banking: The Merchant Banking team provides Capital Market products such as Initial Public Offerings (IPO), Qualified Institutional Placements (QIP), Rights Issues and other structured offerings to leading Indian companies at each stage of the capital lifecycle. YES Securities completed 10 marquee equity fundraise transactions in 2017-18, including 2 of the top 3 fundraises, across ticket sizes and instrument types with an aggregate fundraise of over ₹250 billion.

The Merchant Banking team has handled 17 transactions in FY 2017-18, The transactions completed by the team during the year under review include:

- Book Running Lead Manager to the ₹96 billion IPO of New India Assurance
- Seller's Broker to the ₹91 billion OFS of NTPC
- Lead Manager to the ₹20 billion QIP of Union Bank of India
- Book Running Lead Manager to the ₹15.4 billion IPO of Reliance Nippon Life Asset Management
- Book Running Lead Manager to the ₹10.4 billion IPO of Lemon Tree Hotels
- Book Running Lead Manager to the ₹9.8 billion IPO of Aster DM Healthcare
- Book Running Lead Manager to the ₹9.6 billion IPO of Bharat Dynamics
- Book Running Lead Manager to the ₹6.5 billion IPO of Future Supply Chain Solutions
- Book Running Lead Manager to the ₹6.0 billion IPO of Dixon Technologies
- Book Running Lead Manager to the ₹7.8 billion IPO of Security & Intelligence Services (India)
- Book Running Lead Manager to the ₹5.0 billion IPO of Central Depository Services India
- Book Running Lead Manager to the ₹5.0 billion IPO of GTPL Hathway
- Advisory to Aditya Birla Group
- Advisory to the Delisting of Polaris Consulting
- Manager to the Buyback of Jenburkt Pharmaceuticals
- Lead Manager to the ₹20 billion Public Issue of NCD of Mahindra Finance

Sustainable Investment Banking (SIB): The SIB practice focuses on providing advisory services exclusively in the areas of Sustainability, Clean Technology, Renewable Energy, Environmental Services and Education.

Key transactions by the team during the year under review are as follows:

- Acted as an exclusive advisor to Bhilwara Energy Limited for sale of their 69.5 MW wind portfolio to Hero Future Energies Limited
- Acted as an exclusive advisor to Kiran Energy for buy out of minority stake of Mahindra Holdings Limited in their 38 MW solar portfolio
- Acted as an exclusive advisor to Kiran Energy for buy out of minority stake of First Solar in their 55 MW solar portfolio
- Acted as an advisor to First Solar for sale of their operating solar portfolio in India

Institutional Sales & Trading: The Institutional Equities team caters to Domestic Institutional Investors and Foreign Institutional Investors across geographies. The client focused sales team follows a thorough research-based and customized service oriented approach. With a keen focus on understanding client-specific objectives, the sales team works closely with the research team to provide market insight, actionable ideas and opportunities relevant to the firm's clients. The trading team provides trading strategies across the spectrum and ensures seamless execution of every transaction.

Equity Research: YES Securities provides Equity Research services to clients to enhance portfolio performance and minimize risk, through an experienced fundamental and technical research team covering 25+ companies across diverse sectors.

RESPONSIBLE BANKING

Since its inception, sustainability has been a core value proposition for YES BANK, with an aim to weave sustainability into its operations as well as create shared value through positive-impact business solutions. Responsible Banking, a core plank that runs across all functions of the Bank, is firmly integrated into its business strategies and targets. The Responsible Banking team holds the mandate to set and drive the Bank's strategy based on a triple bottom line of financial, social and environmental returns with support from other business units. Through FY 2017-18, the Bank has created positive impact through its low carbon and social portfolio, positive-impact community projects and thought leadership.

During the year, the Bank's global engagement on key sustainability topics expanded significantly and it was recognized as a thought leader on noteworthy national and international platforms. The Bank was one of the few private sector entities invited to the One Planet Summit hosted by Emmanuel Macron, President of the French Republic, in Paris in December 2017, and at the event became the first Indian bank to support Financial Stability Board's Taskforce on Climate-related Financial Disclosure (TCFD) recommendations on climate risks and opportunities.

YES BANK was the only Indian bank to be invited to the United Nations Retreat on Sustainable Infrastructure Finance in June 2017 and consequently in February 2018, to share its iconic projects and be a part of stimulating discussions to create a pipeline of bankable projects to support Nationally Determined Contributions (NDCs) and Sustainable Development Goals (SDGs) towards closing the investment gap in sustainable infrastructure.

YES BANK continues to be a signatory to key protocols focused on climate action and sustainable development, including the UNEP FI, Carbon Pricing Leadership Coalition, UN Global Compact, CDP, Climate Action in Financial Institutions Initiative, and is member of key national and global alliances including the India GHG Program, TERI Council for Business Sustainability, CII Climate Change Council and Natural Capital Finance Alliance.

In the year, Responsible Banking produced six knowledge reports on pertinent topics:

- Valuing Natural Capital: Applying the Natural Capital Protocol
- Natural Capital Mapping: Towards Achieving SDGs in India
- Scaling SDG Finance in India
- Electric Mobility Paradigm Shift: Capturing the Opportunities
- Circular Economy: A Business Imperative for India
- FEWLing the Growth: Food Energy and Water Nexus for Livelihood Security in India

In a pioneering effort, the Bank solely underwrote and invested in India's first Social bond of ₹1,000 crore, for 'Affordable Housing', that is aligned to the Pradhan Mantri Awas Yojana, and the nation's mission of 'Housing for All' by 2022. In addition, the Bank hosted India's first ever green symposium in June 2017 with FMO, the Development Bank of the Netherlands, and signed a charter with FMO along with DEG (the Development Bank of Germany) and Proparco (the Development Bank of France), to champion green finance in India. Significantly, the Bank's sustainability focus was highlighted as a case study in Climate Mainstreaming Practices Report 2017 by the Climate Action in Financial Institutions Initiative.

In its efforts towards environmental management within its operations, the Bank expanded its ISO 14001:2015 certification footprint, which now covers the Bank's 744 locations, including 4 corporate offices*. YES COMMUNITY, the Bank's unique branch-led community engagement program, touched 32,15,644 lives in 2017-18, through its pan-India branches. The Bank partnered with UN Environment, government bodies, NGOs and private partners to celebrate World Environment Day with tree plantation and beach cleaning drive in Versova, Mumbai. Through the initiative, 5,00,000 citizens were sensitized to the importance of environmental conservation.

Under the guidance of the Board Committee on CSR, the Bank's 'Livelihood and Water Security' program provided access to clean and safe drinking water to 4,09,24,800 people in Maharashtra, Delhi, Madhya Pradesh, Gujarat, and Rajasthan. The Bank's 'Say YES to Sustainable MSMEs in India' initiative impacted 18,544 MSME units and over 28,454 workers in 14 states. YES BANK became the first private sector Bank to partner with National Highways Authority of India under its 'Adopt a Green Highway' program for plantation and maintenance of 45,462 trees. The Bank has committed to develop and maintain 40 kms of green corridor along the Mumbai-Nashik-Pimpalgaon Highway for five years, beginning 2017.

YES FOUNDATION, the social development arm of YES BANK, continues to catalyze the social development ecosystem through an enhanced impact model of its flagship program – YES! i am the CHANGE (the world's largest social video-making initiative), by setting up a grant fund for non-profit organizations and social enterprises. Additionally, grantees will receive accelerator support for a period of 3 years. The Foundation's Media for Social Change Fellowship program was expanded to three cities, developing 213 socially conscious youth leaders and supporting 101 non-profit organizations.

The Bank was recognized in India and abroad for its sustainability performance, winning the Karlsruhe Sustainable Finance Award 2017 in the 'Best Innovation in Sustainable Financial Products & Services' category for its innovative blended finance facility for women salt farmers, ASSOCHAM Water Management Excellence Award 2017 for the 'Best Community Initiative in Water', and Frost & Sullivan and TERI Sustainability 4.0 Award for 'Challengers Award – Mega Large Business', among others.

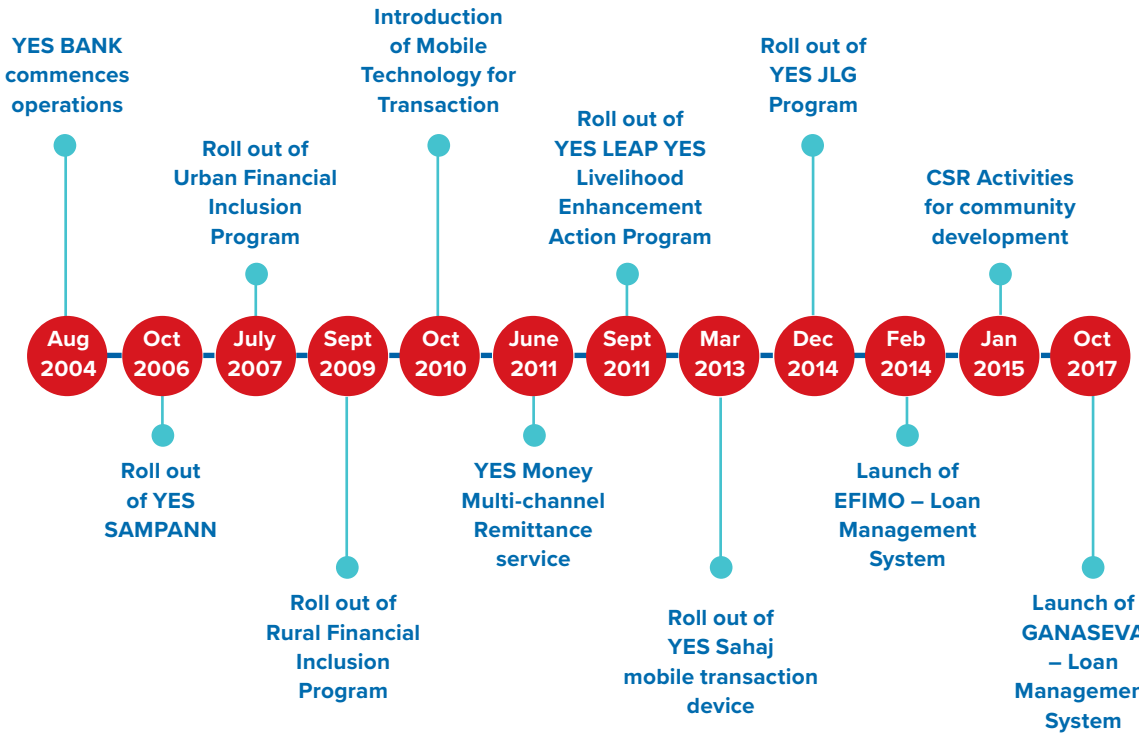
YES BANK continues to be the only Indian Bank in the DJSI Emerging Markets Index for the third consecutive year in 2017, and it is a matter of immense pride that the Bank is the first and only Indian bank to be selected in all major global sustainability benchmarking indexes, including Dow Jones Sustainability Index (DJSI) Emerging Markets, MSCI All-Country World Index (ACWI) ESG Leaders & SRI Indexes, and the FTSE4Good Emerging Index in the reporting period.

* In FY 2017-18, YES SECURITIES has been brought under the scope of the Bank's Environment Management System

INCLUSIVE & SOCIAL BANKING

In line with the Responsible Banking vision to mainstream sustainability within its core business and address the needs of the 'next billion' customers, the Bank created a special division called Inclusive & Social Banking (ISB). ISB is responsible for the design and implementation of various financial inclusion initiatives. For the Bank, financial inclusion is not just a social and regulatory obligation but also a viable business opportunity. The mandate of ISB was to reach the unbanked and under

SPEARHEADING FINANCIAL INCLUSION



banked population (rural, semi-urban and urban areas) by leveraging the Bank's branch network, technology edge and relationship capital in the public, private and social sectors. Following the guiding principle of Frugal Innovations for Financial Inclusion (FI4FI), the ISB team developed innovative business models and forged partnerships leading to their seamless implementation. It aimed to create viable business models while providing 'access to finance' to the bottom-of-the-pyramid customers.

ISB offered various financial services comprising microcredit, micro-saving, micro-insurance and remittance services across geographical and socio-economic contexts and partners. With the flagship program, YES Livelihood Enhancement Action Program (YES LEAP), the Bank provided comprehensive financial services (credit, saving and insurance) to Self-Help Groups/Joint Liability Groups through partner organizations acting as Business Correspondents and touched over 2.1 million households across 19 states and 260 districts.

While being committed to Financial Inclusion, ISB's recent focus has been on enhancing technology solutions to efficiently scale YES BANK's outreach to cater to more unbanked and under banked population of India. Towards enhancing the impact and delivery mechanisms of YES LEAP, ISB has launched a robust technology intervention 'GANASEVA – a Semi Automated Loan Origination and Loan Management System'. Apart from end-to-end loan processing, it also offers the flexibility to build adequate regulations and required risk controls. ISB has made continuous efforts in leveraging technology and digital platforms for all the facets, including business analytics, data management, training and financial literacy. While innovative methods like Virtual training, Voicecall training and WhatsApp training for BC and ISB staff in remote areas were adopted, financial literacy modules were dissemenitated to ISB clients (women SHG / JLG members) through voice call training.

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

MICROFINANCE BANKING

YES BANK remains committed to creating equal financial opportunities for all. The Bank promoted microfinance as a new asset class, widening access to capital through a two-pronged strategy involving the Microfinance Banking (MFB), and mainstreaming bottom-of-the-pyramid clients through the Inclusive and Social Banking team. With the MFB product suite which includes term loan facilities, cash management services, loan syndications, rated capital market loan products like pool securitization, pass through certificates (PTCs), the Bank catalyzes growth of the Indian microfinance industry.

The Bank aims to access more investors and reduce fund costs, thereby making it possible to deliver affordable, fairly-priced and customized financial solutions. MFB 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.

AGRI PRODUCT MANAGEMENT

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

PROCESS, SERVICE & TECHNOLOGY OVERVIEW

SERVICE AND TECHNOLOGY CAPITAL

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

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

BUSINESS PROCESSES – CREATING A QUALITY ORGANIZATION

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

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

Some key initiatives comprised:

- The Bank has deployed an enterprise-level Customer Relationship Management solution which provides the Bank a single view of both Corporate and Retail customer segments. A lead management system has been built for the sales team to enhance their productivity.
- Centralized back-office functions (NOC – National Operating Centers) of various businesses are working in full capacity at Mumbai and Gurgaon, and recently at

Chennai, covering spread over 4 lakh sq. ft. to employ 9,000 employees.

- The Bank has a dedicated 24/7 inbound Contact Center for Liability, Asset and Credit Card customers which resolve queries, complaints and service requests in three locations namely Mumbai, Chennai and Gurgaon, providing multi-lingual servicing in regional languages and English.
- A dedicated 24/7 desk for Super Premium Credit Card, MasterCard World Elite and Concierge services was established in August 2017 to provide bespoke services for clients. Apart from rendering services, the Contact Center has commenced prospecting for Bank products, viz. Term loans, Retail Assets, CASA and Credit cards.
- In compliance with regulatory directives, a dedicated desk for customers wishing to reach out to Senior Management was established in April 2017.
- The Contact Center has embarked on extending the servicing platform to the Bank's corporate clients and merchant establishments. A dedicated team along with the required infrastructure and processes is being set up to extend the services for corporate clients.
- The Bank became the First Bank in India to be conferred with ISO 31000 Certification on Enterprise Risk Management Framework for efficient and robust risk aggregation and monitoring.
- The Bank has successfully upgraded to new ISO 9001 (Quality Management) standard and adopted risk-based thinking thereby aligning with the Bank-wide Enterprise Risk Management Framework.
- The Bank strengthened its Business Continuity Management Framework (ISO 22301-certified) and Information Security Management Framework (ISO 27001-certified) by including Data Centers (2 nos), Branches including their ATMs (5 nos) apart from the existing National Operating Centers (2 nos).
- Business Excellence frameworks and quality practices such as Five S, Lean and Six Sigma and ISO 9001 standards established for back-office operations at NOCs, 101 key branches and the Bank's Internal Audit Function have been certified under ISO 9001 (Quality Management System).
- The Bank's complaints management processes have been certified under ISO 10002 (Customer Service – Complaints Management system). The Bank used the Complaints and Query Management System as a singular touchpoint to log, handle, escalate and resolve customer grievances.
- The Bank implemented a framework for the measurement of Customer Experience (internal and external) to ensure customer feedback across each touchpoint (including customer complaint registers, customer satisfaction surveys, telephonic surveys and employee feedback) is collected, analyzed and acted upon.
- The Bank has digitized transaction processing in critical functions for straight-through processing and enabling paperless transactions.
- The Bank leveraged social media as a new channel for superior customer service to address queries/ complaints, receive feedback and garner inputs on service (Voice of the Customer – VOC).
- The Bank adhered to Banking Codes and Standards Board of India (BCSBI), Goiporia Committee recommendations, Damodaran Committee recommendations and the Committee on Procedures and Performance Audit of Public Services (CPPAPS) guidelines, thereby ensuring compliance across its critical functions.
- The Bank is the First Bank in India to be certified on Risk Based ISO 9001 Standard for YES School of Banking.
- As part of Insta Gratification spirit, the Bank has taken an initiative to provide fast-track processing (within 2 hours) of key customer requests.
- The Bank is in the process of implementing 'Robotics Process Automation' to optimize internal processes with a view to provide faster and accurate services.

Embedding a Continuous Improvement Approach

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

THE SERVICE QUALITY STRATEGY

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

The complaints management team conducts Root Cause Analysis on an ongoing basis to address repeated issues.

- The Service Quality framework of the Bank is built on the world-renowned PDCA (Plan – Do – Check – Act) model of Deming's improvement cycle. Under this, Bank branches are visited by especially skilled quality professionals for a detailed review of the service delivery processes. This entails assessment, gap identification, root cause analysis, action plan and execution. The entire process is closed looped with actionables and closures.
- The Bank's three-pronged structure to bolster customer service comprises customer experience, innovation and quality assurance. The Customer Experience unit captured the Voice of the Customer (VOC), and assessed performance across key service drivers. These initiatives were managed through the Innovation Center, which acted as a clearing house for ideas that helped the Bank implement 'next practices' across products, services and channels.
- Specific quality goals were classified across the categories of Process Management and External and Internal Service Delivery in line with the Bank's Quality Policy and Objectives. Quality improvement drives, like workforce suggestion schemes, Lean Six Sigma, Five S, ISO 9001 and ISO 10002 certifications were implemented across business units and branches.
- Being a member Bank, Service Excellence team proactively engages with all the customer facing channels to ensure compliance with the BCSBI code. This has enabled the Bank and its service delivery processes to be more robust and customer friendly.
- At the Bank, external and internal service delivery (customer satisfaction) was measured using dashboards, Voice of the Customer (VOC), Branch Service Committee Meetings, 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 ongoing service marketing program, and measured through mystery shopping, on-job monitoring and Branch Executive Leadership Team (BELT) programs, were held periodically across key branches.
- The Bank created a knowledge pool of Six Sigma/ Lean Sigma change agents to reinforce a culture of improvement. The Bank undertook several strategic and tactical improvement projects during the fiscal year.
- The leadership of each business unit reviewed existing processes, initiated improvements and instilled procedural orientation. Within a short period, the Bank has been recognized as 'World-Class' in the Service Category by Asia Pacific Quality Organization. The Bank is also the only Indian Bank to win this prestigious global award based on Malcolm Baldrige Business Excellence Framework (USA).

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

2017	QimPro Qualtech Award for Innovation under Services category – Qimpro Foundation
2017	CII Award for Active Customer Engagement' – (Service) – CII
2017	The Banker Transaction Banking Awards in Toronto by The Banker, the world's leading financial magazine

INFORMATION TECHNOLOGY

Information Technology (IT) is a critical enabler of business transformation and growth. IT-enabled businesses advance products and innovation and foster customer-led growth. As a new generation Bank, the Bank has deployed technology as a strategic business enabler – to build a distinct competitive advantage and to achieve superior standards of Customer Service.

The Bank has recognized this and is committed to investing in technology, adopting an A.R.T (Alliances, Relationships and Technology) approach wherein we have identified the need and pain points of the customers, assessing them as a set of opportunities, and without compromising on security, ensure customers carry out their banking needs and avail of our services with ease and comfort.

The vision of the Business & Digital Technology Solutions Group (BDTS) at the Bank continues to remain 'To make life simpler for our customers and colleagues'.

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

- Merchant Funded Offer Program – A first in the banking industry, Merchant Funded Offer Program was implemented with key USPs such as analytics driven personalised offers for customers based on their profile, real-time analytical tracking of transactions and communication to customers (SMS and push notification) about cashback eligibility. It offers completely automated processes right from tracking transactions to settlement, multiple cashback mechanisms like Account Transfer and Mobile Wallet, association with best brands (both offline and online) across categories like Food & Dining, Fashion & Apparel, Health & Beauty, Entertainment Services and many more. It provides a hassle-free mechanism for transactions with no need to remember coupon codes etc.
- YES asap! – The Bank's Mobile App enables account opening of Individual Savings Accounts on the mobile phone of the Client Relationship Partner (CRP) and Relationship Manager (RM). Over 1,400 accounts have been processed using YES asap! till date. The app is accessed using Secure Hub & enables CRPs to open accounts while on the field and share the account number instantaneously with the customer. It also automates E-KYC, PAN validation, Negative Check Lists, Re-KYC & de-duplication checks, thereby minimising case rejections.
- Enterprise Communication – Kaizala was implemented for the Bank's employees for broadcasting announcements, task assignments, setting up meeting requests, conducting quick polls and data collection surveys (e.g. daily numbers reporting), and of course, chatting with colleagues on work-related matters, securely. It also helps in easily organising large amounts of information with an aggregated view of user responses or task status and get aggregated reports at each level of the organization.
- Master Data Management application – Again an industry first initiative implemented by the Group, all customer information under one Golden Record is accessible across the bank through this app. An enterprise-wide singular system is used for Customer De-duplication at on-boarding and maintenance, with capability to monitor, control, clean and standardize customer attributes. Standard Customer information helps in maintaining a clean MIS and better analytics. It also includes attributes that are generally not captured in other systems, e.g., KYC, FATCA, BO, CDD, Facebook ID, Twitter handle etc. Centralized customer maintenance in MDM with automated feedback to core application avoids duplication.
- YES PAY Bot – A chatbot has been integrated in YES PAY Wallet. With this change, the Bank has enabled all the wallet services like load money, balance inquiry, send money, bill payments etc. to our customers. YES PAY Wallet services have been made available to our corporate customers wherein they can initiate bulk disbursements to their customers' wallets and also demand collections from individual wallet accounts.
- Professional Clearing Member (PCM) – It allows the Bank to provide settlement and clearing services for equity derivative segment for TM in NSE. Key benefits include online monitoring of margin utilization, trading limit setup for trading members, monitoring of possible violation of position limits, collateral management (FD, BG, Securities & Cash), corporate actions on outstanding trade positions, and position expiry process.
- Robotics Center of Excellence (CoE) including Robotics Process Automations (RPA) – Today, automation is a business enabler. With legacy systems, traditional set of application have limited scope of automating processes in the Bank. Such processes need significant investment of bank's manpower to perform repetitive and mundane tasks. Hence, with the evolution of a Robotics Center of Excellence (CoE) instituted within the Bank, the Bank has embarked on a journey to automate various processes in the Bank. Within a year, Robotics Center of Excellence has already automated critical processes within the Bank, most important of which is the salary processing of corporate customers. With the implementation of Robotics Process Automations (RPA), the turnaround time (TAT) per customer request for salary processing has been reduced by more than 75%. Furthermore, the CoE has also automated the process of User Provisioning and de-provisioning for a critical application, thus reducing TAT by almost 75%. The CoE also went ahead with automating the Reconciliations MIS scrubbing and processes which led to a saving of almost 30-man hours per day.
- YES ROBOT – An AI enabled Banking Assistant was launched on the Bank's website. Earlier, this was available to customers only through the Facebook Messenger. Key benefits include 20+ banking services including service requests, financial and non-financial transactions, instant information on the Bank's products/services. It also captures customer interest via lead generation, answers frequently asked customer queries without manual intervention and has a loan eligibility calculator for Commercial Retail Assets, which customers can also apply for.
- Debit Card and ATM System Upgrade –All YES BANK Debit Cards and YES BANK ATMs are now available for all transactions. Key benefits include:
  - Enterprise-wide licence for ATM switch as against cost per ATM, giving benefit of unlimited terminals/ debit cards/transactions

- Switch infrastructure is now owned by the Bank with full and robust security controls as per the Bank's standards as against hosted at vendor and with limited access/controls
- Seamless migration of 23.5 lakh Debit Cards from earlier Debit Card system & ATM switch
- Migration of 3D secure (Two-factor authentication for E-Commerce transactions) resulting in cost saving and seamless customer experience
- Consolidation of vendors and multiple components into a single vendor/product for better management and control
- Deployment of 'right-skilled' resources from switch partner to 'Run and Operate' from Bank's premises
- Gives the Bank the option to offer other products like Prepaid Cards, Forex Travel cards, IMPS, Credit Cards routing through same switch

- YESFXOnline (Credence) – Direct Customer Dealing (DCD) module has been implemented to select corporate customers in the ADII, FFMC & Referral Clients segments which provides real-time transaction reporting, along with Dynamic FX card rate publication and special rate negotiation with dealing room.
- Launch of YES MSME Mobile App – Launched on iOS and Android platforms, the app offers a powerful digital banking solution empowering our MSME customers with the power of speed-banking, resulting in substantial reduction in transaction costs and increase in overall productivity at branches. Key features of YES MSME Mobile are:
  - Complete Business Cash Flow Management through the mobile app
  - Single interface right from CASA, all loan relationships, Bank Guarantees and Letter of Credits, to raising service requests and managing employees' salaries
  - On-screen payments to group of beneficiaries at one go without the need for file upload, and real-time reconciliation
  - YES MSME Mobile App will help with significant reduction in time and costs savings for our MSME business with convenience of payment authorization on the go.
- Enhanced Wealth Management System (WMS) – The Bank has successfully migrated to an Enhanced WMS which added several new features/functionalities for our customers & RM's convenience, such as:
  - System-level specified person code validation for Life and Non-Life Insurance entries
  - System-level entry of the Branch QC checklist
  - Capital Gain/Loss report
  - Standing instruction for transactions
  - Setting up One-Time Purchase and then STP (Purchase and Switch Systematically - PSTP)
  - Weekly STP / SIP
  - RM/Segment-level revenue reports
  - Transaction capabilities for US/Canada customers for select AMCs
  - Common Transaction slip for purchase/ sell/ switch for all AMCs through Branches
- 'Samsung Pay' for YES BANK Credit Cards – The Bank partnered with Samsung to launch payments for our Credit Cards customers through 'Samsung Pay', which is accepted at all places where a physical card currently works, backed by Samsung's patented Magnetic Secure Transmission (MST) technology and Near Field Communication (NFC). Since a majority of PoS terminals in India are MST enabled, they will work seamlessly with Samsung Pay enabled devices. Samsung Pay offers a robust three-level security for every transaction.
- Tableau Server Implementation – It has helped in moving from individual team's capability of creating dashboards/reports to enterprise-level solution, providing self service capability to business end-users in publishing of dashboards/reports for wider audience, including COO dashboards.
- Unified Customer Experience Portal (UCXP) Core Release – It has been envisaged to have specific Transaction Banking products/offerings for corporates on one single platform with single sign-on.
- Commercial Credit Card Data Warehouse Implementation – It is being used to perform CIBIL reporting for commercial cards and provide regular updates to RM's for tracking corporate spends/ payments. The data helps in avoiding any miss in corporate payments being processed.
- Hadoop – Analytical Campaign Application – It extends analytical campaign application to automate event-based triggers for Savings Accounts customers. It holds the capability to automate rule-based scenarios and communications based on customers' transactions and channel behavior, enabling cross-sell/up-sell of various products like Fixed Deposits, Recurring Deposits and Digital Channels. It is a horizontally scalable application to address YBL's SCALE requirements in terms of data volumes, both structured and unstructured, and also automated campaigns.

- Hadoop – Merchant Funded Discounts – This is an analytics driven personalized offer for customers based on their location, historical transactions, product categories, merchant affinity etc., among other attributes. Instant gratification by using discount coupon codes on various merchants is provided. The program is associated with the best brands across categories like Food & Dining, Fashion & Apparel, Health & Beauty, Entertainment Services and many more.
- Sales Portfolio Management System – The new version release conforms to the new branch banking structure for the West 2 region. Key automation benefits include mapping requests and subsequent approvals to be done via system, which will result in better TATs, and better e-mail communication of the changes made.
- GEM e-PBG Module (Government e-Marketplace) – Based on the recommendations from Group of Secretaries, we have developed a one-stop Government e-Marketplace (GeM) to facilitate online procurement of common use Goods & Services required by various Government Departments/ Organizations/ PSUs. GeM helps in enhancing transparency, efficiency and speed in public procurement. It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate government users get the best value for their money.
- Newgen Platform – A Bearer Identification Process in which a one-time bearer introduction letter is recorded in Newgen after approvals. The bearer can approach any branch for transaction as bearer details are stored centrally. The bearer need not carry documents and has to only mention his bearer ID for transactions.
- Notiva Application – It is used to send real-time alerts in which there is no restriction on the number of users for Swift message viewing. It has the ability to perform wild card search for Swift messages and FCC advice which can be downloaded in pdf and txt formats.
- Puratech channel finance – A secured online platform with transaction initiating capabilities for corporate clients, with rich MIS and reporting capabilities. It has homepage view wherein customers can view their setup details, including accounts, interest etc. It has online interfacing with core banking via ESB for online API to trigger NEFT/ RTGS/ Internal fund transfer, a module for customer setup, and limit management configurable by the Bank's team.
- CRIF Highmark – Connect Tool for Retail Assets – Used for CIBIL reporting of cases booked in FinnOne. This is a platform for agnostic bureau data contribution integrated with user-driven ETLV single extraction, multiple format capability. Built on underlying credit bureau domain knowledge and highly efficient, easy to use, rule-based engines to perform all activities involved in data integration between credit bureaus and its members without any specific programming effort.
- CASA Upload & Verification Process – Through this, users will now be able to run the entire process from RPA Platform without any manual intervention and with near-zero errors. The LIMPOS team has been successfully doing a parallel run on production setup.
- RESUSTAIN – A digital platform for Environmental and CSR Reporting – this is a cloud-based Environmental & CSR data collection platform that enables 'Reimagining Sustainability', by shifting the focus from Sustainability Reporting to Sustainability Strategy, Performance and Collaboration. With investors' growing interest in non-financial performance (mainly CSR and environmental), it is imperative for the Bank to have a Sustainability & CSR-specific data collection and reporting system. The Resustain platform has the capability to compile data aggregated from various sources and perform analytics in the in-built platform.
- YES PRIME – An integrated Project Management Solution for managing all project initiatives from Initiation to Benefit Realization. The system is released on Microsoft Project Online which is a cloud-based Project and Portfolio Management (PPM) Solution from Microsoft, making it accessible anywhere and everywhere through a secured multi-factor authentication enabled channel. It provides real-time access to project status and related information to drive informed decisions. This increased collaboration among project team members within the technology unit of the Bank – BDTS.
- Migration to Ganaseva for Retail Assets Business – As part of this activity, ~5,81,000 loans amounting to ~₹644 crore have been migrated from the legacy application to Ganaseva. This also included all repayment schedule records and repayments of the migrated loans. Key benefits of this migration includes a single dedicated system for Inclusive and Social Banking (ISB) and efficiency improvement in operations processes, where activities were previously performed in two systems.
- PI-CONTROL™ Platform – It is a one-of-a-kind platform that will be available for Corporate Banking Customers of the Bank. It has the capability to provide 'real time cryptographic digital transaction signing' at a mass scale. YES BANK has developed the platform with a vision to provide adaptive, dynamic security controls in response to the rapidly changing threat landscape. I-AM™ crypto-ID is probably the first non-Public Key Infrastructure (PKI) massively scalable

cryptographic technology, which simplifies usage as well as increases distribution and adoption, given its Cloud Native and mobile first nature.

- Y-COLORS (Yes Corporate Loan Originating System) was launched with key benefits:
  - Customized Rule based workflow for CAM approval process
  - Scoring calculation basis various parameters
  - Digitization of complete CAM, Facility Letter and Disbursement Notice reports
  - Improvement in Operation Efficiency and reduce overall TAT
  - Overall TAT monitoring

Technology has responded by strategically partnering businesses. Many first-mover implementations have provided business growth, long-lasting advantages, and have also won many accolades and awards for the Bank.

Industry Awards and Accolades

- Indian Bank's Association – Best Technology Bank of the Year, Indian Banks' Association's (IBA) Banking Technology Awards, 2017
- IDRBT Award – Technology Excellence Awards for Banks, 2017
- FINTEC INDIA – Award for API Banking Innovation FinTech India Conference & Awards, 2017
- BSE CIO Klub IT Awards, 2017 – CIO of the Year
- The Asian Banker, 2017
  - Best Trade Finance Bank in India
  - Best Financial Supply Chain
- The Banker, Bank of the year, 2017
  - Bank of the Year India, 2017 – The Banker, London
- Best Treasury and Cash Management award, 2017 – Best Bank for Payments and Collections, Asia Pacific Global Finance New York, 2017
- Golden Peacock Awards – Golden Peacock Innovative Product/Service Award, 2017
- Celent Model Bank Award, 2017 for Payment Product
- C-Change Award, 2017 – Best Technology, Social Media Applications
- CIO POWER LIST, 2017 – BANKING ICON category,
- 12th Annual CIO100 Award, 2017 – CIOs The Digital Innovators,
- Bankers Frontiers – FINNOVITI 2018 for the Bank's Blockchain solution as Innovative Award

HUMAN CAPITAL MANAGEMENT

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

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

The Bank made significant people investments in FY 2017-18 by building Human Capital capacity, both in terms of leadership capabilities and requisite skills through institutionalized initiatives encompassing learning and development interventions, employee engagement driven through digital platforms and holistic well-being embodied through 'YES Personality'.

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

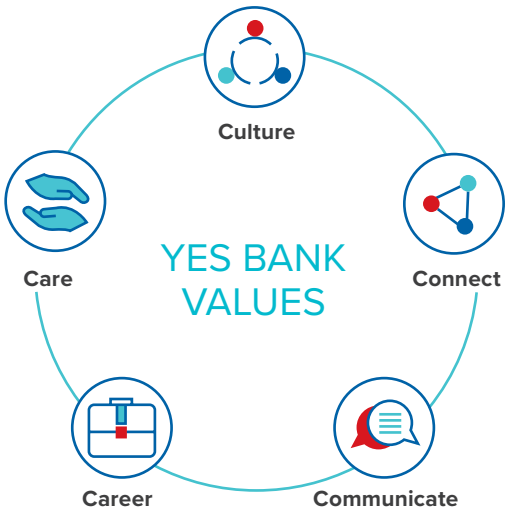
EXECUTIVE ENGAGEMENT

Making YES BANK a 'Great Place to Work'

YES BANK has been participating in the 'India's Best Companies to Work For' study since 2013. The study is conducted by Great Place to Work® Institute, a leading management research and consulting firm. During this study, confidential and anonymous feedback is sourced by the Institute from randomly-identified representative sample of YES BANKers, to measure the Bank's 'Trust Index' across certain parameters like Organizational credibility, Respect, Fairness, Pride and Camaraderie. The Bank also participated in the 2017 study with the anonymous survey launched to 100% employees. The Trust Index score has consistently gone up from 70 in 2013 to 72 in 2014, and subsequently to 74 in 2015 and 2016. The scores increased across all parameters. The Bank was declared the 2nd Best Place to Work For in the Banking Sector in 2015.

The Trust Index score has improved to 75 for 2017. YES BANK is the only Bank to be identified as one of the Top 100 Companies to work for in India.

5 Cs Employee Engagement Model



To engage the growing workforce, the Bank follows the 5 Cs Engagement Model, viz. Culture, Communication, Career, Connect and Care. The Bank engages and develops Human Capital by disseminating/re-connecting YES BANKers with YES BANK's core values, by creating an intentional culture, encouraging open and honest communication, strengthening connect with employees and community, supporting career development and showing care as an organization.

Holistic well-being forms the cornerstone of the Bank's engagement model, disseminated digitally through targeted initiatives under each of the pillars.

YES Club

With the objective of encouraging an atmosphere of fun and camaraderie, and to provide YES BANKers a platform to showcase their talent and creativity, YES CLUB was launched across 180+ hub branches. YES CLUB facilitates participation activities around three broad themes: Social, Culture and Sports. Since its launch, YES BANKers across hub branches have organized and participated in activities such as sports tournaments, adventure and trekking trips, arts and crafts exhibitions, photography contests, blood donation camps, and employee volunteering activities.

YES League of Excellence

YES BANK launched its revamped Rewards & Recognition online portal called the 'YES LEAGUE OF EXCELLENCE' to provide a formal recognition platform to recognize and reward excellence at YES BANK and in turn create a 'Culture of Appreciation'. All YES BANKers have the option to appreciate and wish their colleagues on achievements or occasions. Reporting Managers can nominate colleagues for Employee of the Month and similar other rewards.

University & Schools Relationship Management (USRM)

The University & Schools Relationship Management (USRM) program is a structured, sustainable and scalable engagement process, which has created and maintained maximum mindshare for YES BANK and plays a pivotal role in building YES BANK's brand as a 'Preferred Employer of Choice' among the best educational institutions in India and abroad. Hiring of 75 management graduates from premier B-Schools in FY 2017-18 through the Y-PEP (YES – Professional Entrepreneurship Program), the flagship program for campus recruitment, is testimony to the success of the USRM program.

The USRM team launched the 6th edition of the 'Transformation Series' – YES BANK's flagship property focused on business school students, which has emerged as India's largest innovation challenge having witnessed participation from over 30,000 students across 2,500 colleges. The Transformation series was rated as the second most prestigious B-School competitions of the year 2018 by Dare2compete.

The platform, launched in 2010 as a case study challenge, amplified its scope this year as an idea crowdsourcing platform wherein during the preliminary rounds, 10 organizations from three key sectors of the economy – financial services/technology, smart cities and social development – sought solutions to some of their live problems from India's brightest minds.

The Grand Finale saw the top 15 teams address the national challenge of 'Doubling Farmer's Income by 2020'. The case study was set by Atal Innovation Mission, NITI Aayog, who were the Grand Finale partners this year.

YES School of Banking (YSB)



YES SCHOOL OF BANKING

YES BANK has always strongly believed that Knowledge is a key differentiator, and continues to invest in developing its Human Capital for creating differentiated Capacity, Capability, and Culture & Confidence. In line with this belief, YES School of Banking was institutionalized in 2007 with a vision to create a Center of Excellence for learning solutions in banking and related areas and drive alignment of business goals at every stage of the organization's

growth. All learning and development initiatives at YES BANK are domiciled under the aegis of this dedicated knowledge function.

The key focus areas for YSB are:

- Equip staff with skills of the future via 'Professional Technology Programs'
- Certification of staff based on RBI Circular on Capacity Building in Banks and AIFIs
- Multiply leadership capability across levels
- Business Priorities
  - Design Thinking, Innovation, Creativity led Entrepreneurship (DICE)
  - Productivity
  - Cross Sell
  - Service Culture
  - Compliance Culture

WOMEN CENTRIC INITIATIVES:

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

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

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

YES WE CARE: Celebrating 'Special Moments'

Launch of special and differentiated benefits like 'Celebrating Motherhood', wherein all new mothers resuming duty post maternity leave are presented with a Gift Voucher for their new-born.

24*7 Helpline Number

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

Diversity Recruitment Drives – Increasing Women Workforce at YES BANK

We have focused recruitment drives and campus placement targeting women employees for Branch Banking in metro locations. During the last financial year, the Bank increased its focus on gender mix in leadership roles across Middle, Senior and Top Management resulting in an increase in representation of women executives in key positions.

Rewards and Recognition

YES BANK was recognized as:

- The No.1 'Dream Company to Work For' and 'Best Employer Brand' by the World HRD Congress 2018
- The only Learning & Development function in the Indian Industry to be awarded dual international certification in ISO 9001:2015 and ISO 29990:2010 in December 2017
- Winner of 'Golden Peacock National Training Awards' 2018 (Private Banks)
- TOP 100 'India's Best Companies to Work For' & 'India's Best Banking Employer' by Economic Times and Great Place to Work (®) Institute in 2017
- 'Best Employee Engagement Strategy' by HT Mint HR Innovation Awards, 2016
- 'L&D Team of the Year' by TISS Leapvault CLO Awards, 2016
- Most Inspiring Workplace of the Year 2015 – Private Sector Banks awarded by Banking Frontiers
- Runners up of BML Munjal Awards 2015 for Business Excellence through Learning & Development (Private Sector – Services category)

RISK MANAGEMENT

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

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

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

ENTERPRISE RISK MANAGEMENT

YES BANK has an Enterprise Risk Management Unit (ERM) that is responsible for implementation of ERM framework, Risk Aggregation, Risk-based pricing, Risk assessment of Pillar II risks, viz. Reputation Risk, Compliance Risk, Concentration risk etc., Basel II/III compliance, Internal Capital Adequacy Assessment Process (ICAAP), and Bank-wide Stress testing. The Bank has two Committees – Enterprise Risk Management and Capital Management Committee (ERCC) and Reputation Risk Management Committee (RRMC). ERCC is responsible for overseeing Enterprise Risk Management, Capital Management, and ensuring that all material risks are identified, measured, monitored and controlled in accordance with the Bank's risk appetite, as well as, within regulatory guidelines. The RRMC oversees Reputation Risk Profile, designs proactive steps for enhancement of reputation of the Bank and management of Reputation Risk events for the Bank.

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

CREDIT RISK

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

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

The Bank additionally has in place scorecards for specific schematic programs in case of Retail and SME borrowers. This function works in close coordination with various business segments to periodically review the individual borrower relationships and assesses the overall health of borrowers. The Bank has taken proactive measures to ensure 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 identifying portfolio trends and generating portfolio-level MIS

covering various credit quality indicators. Further, the 'Credit Risk Policy Unit' is responsible for independently reviewing the Bank's credit policies and programs, including validation and monitoring of rating models. The Unit is also responsible for migration to Internal Ratings Based (IRB) approach and IndAS for Credit Risk. The Bank has an active legal department that helps in assessing and managing Legal Risk. The department has developed a comprehensive set of standard documents for various types of credit products and is responsible for ensuring legal compliance of applicable laws and ensuring that the documentation entered into by the Bank is legally valid and enforceable.

MARKET RISK

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

The Bank has an integrated, straight-through processing and state-of-the-art treasury system for enabling better risk management. The Bank measures liquidity, currency, and interest rate risks through various metrics, viz. Liquidity Monitoring, Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Intraday Liquidity, 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. The Bank also regularly conducts stress testing to monitor the Bank's vulnerability towards extreme but plausible unfavorable shocks. The Bank monitors and controls its 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, 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 and Financial Markets Management Committee, Asset Liability Committee, among others.

OPERATIONAL RISK

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

The Bank has implemented a robust and comprehensive Operational Risk Framework defined as part of the Board-approved Operational Risk Management Policy to identify, assess and monitor risks, strengthen controls, improve customer service, and minimize Operational Risk losses. The Bank has constituted the Operational Risk Management Committee (ORMC), consisting of Senior Management of the Bank for implementation and monitoring of the Operational Risk Framework throughout the Bank. The Committee is also responsible for reviewing of Operational Risk profile of the units, understand future changes and threats, and concur on areas of highest priority and related mitigation strategy.

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

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

CLIMATE RISK

Today's risk environment is increasingly seeing impacts that were previously considered by financial institutions to be externalities becoming more material. The year 2017 has been significant from the perspective of integrating climate action in corporate strategies, with Financial Stability Board's Taskforce on Climate-related Disclosures (TCFD) putting forth its recommendations. The recommendations acknowledge that climate risks have the potential to affect the efficiency and effectiveness of markets, financial institutions and the economy at large. In December 2017, YES BANK became the first Indian Bank to support the TCFD recommendations on climate risks and opportunities at the One Planet Summit hosted in Paris. Given the significance of climate risks, the Bank has identified climate-related risks as Transition Risks and Physical Risks.

YES BANK identified Transition Risks as those risks which arise from efforts to address environmental change, including but not limited to regulatory changes in policies, technological changes or shifts in investor sentiment and consumer behavior. Furthermore, with growing awareness on Environmental & Social (E&S) issues globally, countries have established robust E&S regulations that specify requirements for operating

licences, occupational health and safety standards, and emission/discharge limits. Stricter environmental regulations may affect some projects funded by the Bank, which in turn may affect repayment capability of the client and could also pose a Reputational Risk. Non-compliance to these standards may directly impact the financial and operational viability of companies, which also translates into risks for banks.

The Bank through its Environmental & Social Policy (ESP) integrates Environmental & Social (E&S) risks assessment into its overall credit approval framework. The Bank has a dedicated E&S Risk team, which undertakes preliminary environmental and social due-diligence of the projects funded by the Bank. This helps ensure that all activities are environmentally and socially viable and compliant to the regulatory environmental and social standards as applicable or likely to be in force in the future.

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

For more information on the Bank's climate-related opportunities and positive-impact climate finance, please refer to pages 48-51.

CYBER RISK

There has been significant adoption of digitization in the financial sector with the use of cutting-edge technologies to promptly extend e-delivery channels to customers. Cyber Risks are the security risks which could occur with the breach of confidentiality, integrity and availability due to external or internal cyber attacks. To keep a check on the applicable Cyber Risks, the Bank has an Information Security Unit under the Risk Management Unit.

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

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

INTERNAL AUDIT

The Bank's Internal Audit department performs independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, processes and procedures instituted by the management and extant regulations. The audit function also proactively recommends improvements in operational processes and service quality.

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 audit frequencies are in sync with the risk profile of each Unit to be audited. The Internal Audit department reports to the Managing Director & CEO for day-to-day activities and to the Audit Committee of the Board for Audit Planning, Reporting and Review. Additionally, the Bank also subjects its operations to Concurrent Audit by reputed audit firms to complement its Internal Audit function. The Concurrent Audit covers core activities such as the Operations, Financial Markets and Branches. All audit reports are circulated to the relevant management teams and the Audit Committee of the Board.

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

COMPLIANCE

YES BANK has institutionalized a strong compliance culture across the organization, pursuant to its strategic goals of transparency and trust among all its stakeholders. The Bank has a dedicated Compliance Department for ensuring regulatory compliance across all its businesses and operations. The key functions of this department include dissemination of key regulatory updates affecting the various businesses of the Bank, review of new products and processes from a regulatory compliance perspective, providing guidance on compliance-related matters, conducting compliance reviews, imparting training to employees on compliance aspects, among

others. The Bank has also put in place a 'Know Your Customer' and 'Anti-Money Laundering Policy' approved by the Board of Directors, and transaction monitoring procedures, as per the RBI guidelines.

OVERVIEW OF FINANCIAL PERFORMANCE

KEY RATIOS

Particulars	FY 2017-18	FY 2016-17
Return on average equity (%)	17.7%	21.5%
Return on average assets (%)	1.6%	1.8%
EPS - Basic (₹) (FV ₹2)	18.43	15.78
Book value per share (₹) (FV ₹2)	111.8	96.6
Cost to income	40.2%	41.4%
Cost of fund	6.0%	6.6%
Capital Adequacy Ratio Basel III	18.4%	17.0%
Tier I	13.2%	13.3%
Tier II	5.2%	3.7%
Gross non performing advances (NPA) % to Total Advances	1.28%	1.52%
Net NPA % to Total Advances	0.64%	0.81%
CASA ratio to % of total deposits	36.5%	36.3%

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

The Bank has continued to deliver on all key parameters with robust growth such as loan book increment of 53.9%, improved asset quality, improved net income, increase in net interest margins and improved liability franchise with a CASA ratio of 36.5%. This helped the Bank generate strong shareholder returns with basic and diluted EPS increasing to ₹18.43 and ₹18.06 respectively, taking the book value up to ₹111.8.

OPERATING PERFORMANCE

₹ in million

Particulars	FY 2017-18	FY 2016-17	% change
Interest income	202,674.22	164,246.44	23.4%
Interest expense	125,303.62	106,273.37	17.9%
Net Interest Income	77,370.59	57,973.07	33.5%
Non-interest Income	52,238.34	41,567.57	25.7%
Operating Revenue	129,608.93	99,540.64	30.2%
Operating expenses	52,127.80	41,165.41	26.6%
Operating Profit	77,481.13	58,375.23	32.7%
Provisions and contingencies	15,538.04	7,934.05	95.8%
Profit before tax	61,943.09	50,441.18	22.8%
Provision for tax	19,697.46	17,140.21	14.9%
Net Profit	42,245.64	33,300.96	26.9%

Net profit for FY 2017-18 increased by 26.9% to ₹42,245.64 million as compared to ₹33,300.96 million for the FY 2016-17. Net Interest income (NII) of the Bank increased by 33.5% to ₹77,370.59 million during FY 2017-18 as compared to ₹57,973.07 million during FY 2016-17. The Net Interest Margin (NIM) was 3.5% in FY 2017-18. Non-Interest Income consists of fee, trade income and treasury income. Non-Interest Income increased by 25.7% from ₹41,567.57 million in FY 2016-17 to ₹52,238.34 million in FY 2017-18.

Operating expenses increased by 26.6% from ₹41,165.41 million in FY 2016-17 to ₹52,127.80 million in FY 2017-18. Key drivers of operating expense growth were growing branch network of the bank and scaling up of retail asset and credit card business of the bank.

Provisions and contingencies (excluding provision for taxes) increased from ₹7,934.05 million in FY 2016-2017 to ₹15,538.04 million in FY 2017-18.

NET INTEREST INCOME

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

₹ in million

Particulars	FY 2017-18	FY 2016-17	% change
Interest income	202,674.22	164,246.44	23.4%
Interest expense	125,303.62	106,273.37	17.9%
NET INTEREST INCOME	**77,370.59**	**57,973.07**	**33.5%**
Net interest margin	3.5%	3.4%	-

Net Interest income (NII) of the Bank increased by ₹19,397.52 to ₹77,370.59 million during FY 2017-18 as compared to ₹57,973.07 million during FY 2016-17. Increase in NII is on the back of improvement in loan book & investment of the Bank.

NON-INTEREST INCOME

₹ in million

Particulars	FY 2017-18	FY 2016-17	% change
Commission, exchange and brokerage	41,379.64	31,399.55	31.8%
Profit on the sale of investments (net)	5,134.74	7,112.68	-27.8%
Profit/(Loss) on sale of land, building and other assets	(12.89)	0.18	-
Profit on exchange transactions (net)	2,315.71	1,018.89	127.3%
Miscellaneous income	3,421.14	2,036.25	68.0%
	52,238.34	**41,567.57**	**25.7%**

Non-interest income consists of commission and fee income, trade income, derivative and foreign exchange income, gain on sale of securities and other income. Non-interest income of the Bank increased by 25.7% to ₹52,238.34 million during FY 2017-18 as compared to ₹41,567.57 million during FY 2016-17. Increase in non-interest income is primarily due to increase in commission, fees income and higher flows in transaction banking business.

OPERATING EXPENSES

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

₹ in million

Particulars	FY 2017-18	FY 2016-17	% change
Payments to and provisions for employees	21,889.20	18,050.43	21.3%
Depreciation on own property (including non-banking assets)	2,309.70	1,712.52	34.9%
Other administrative expenses	27,928.90	21,402.46	30.5%
OPERATING EXPENSES	**52,127.80**	**41,165.41**	**26.6%**
COST TO INCOME RATIO	**40.2%**	**41.4%**	**-**

Non-interest expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Non-interest expenses increased by 26.6% from ₹41,165.41 million in FY 2016-17 to ₹52,127.80 million in FY 2017-18.

The Bank continued to make substantial investments in information technology and branch expansion to meet its growth targets. Operating expenses increased by 26.6% from ₹41,165.41 million in FY 2016-17 to ₹52,127.80 million in FY 2017-18. Employee costs increased by 21.3% from ₹18,050.43 million in FY 2016-17 to ₹21,889.20 million in FY 2017-18. Employee costs accounted for 42.0% of our operating expenses for the FY 2017-18 compared to 43.8% for the FY 2016-17. Rent, taxes and lighting (other operating expenses) also increased by 19.83% to ₹4,543.76 million in FY 2017-18 on account of the branch expansion to 1,100 as on March 31, 2018 from 1,000 as on March 31, 2017. The Bank also scaled up investments in information technology, retail asset and credit card business which contributed to increase in operating expenses. Despite increasing investments in information technology and branches, the Bank maintained a satisfactory cost to income ratio of 40.2% for the FY 2017-18.

PROVISIONS AND CONTINGENCIES (INCLUDING PROVISION FOR TAX)

Provisions and contingencies increased by 40.5% from ₹25,074.27 million to ₹35,235.49 million. The key components of provisions are provision for taxation of ₹19,697.46 million (FY 2016-17: ₹17,140.21 million), Provisions for NPAs / write off of ₹10,788.29 million (FY 2016-17: ₹6,634.41 million) and Provision for Standard Assets ₹1,687.43 million (FY 2016-17: ₹831.40 million) and Provision on investments of ₹2,599.44 million (FY 2016-17: ₹522.12 million).

FINANCIAL CONDITION

ASSETS

₹ in million

Particulars	At March 31, 2018	At March 31, 2017	% change
ASSETS			
CASH AND BANK BALANCES	247,343.66	195,494.44	26.5%
Cash and balances with RBI	114,257.49	69,520.70	64.4%
Balances with banks and money at call and short notice	133,086.18	125,973.74	5.6%
INVESTMENTS	683,989.39	500,317.98	36.7%
SLR investments*	488,860.83	354,804.67	37.8%
Non-SLR investments	195,128.56	145,513.31	34.1%
ADVANCES	2,035,338.63	1,322,626.77	53.9%
In India	1,891,273.01	1,262,286.76	49.8%
Outside India	144,065.62	60,340.00	138.8%
FIXED ASSETS	8,323.92	6,835.39	21.8%
OTHER ASSETS	149,460.44	125,324.60	19.3%
TOTAL	**3,124,456.03**	**2,150,599.18**	**45.3%**

* Includes investment in government securities, Banks in India are required to maintain a specified percentage, currently 19.5%, of their net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities.

Total assets of the Bank increased by 45.3% from ₹2,150,599.18 million at March 31, 2017 to ₹3,124,456.03 million at March 31, 2018, primarily due to 53.9% increase in loan book and 36.7% increase in investment of the Bank.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and balances with RBI and other banks, including money at call and short notice. Cash and cash equivalents increased from ₹195,494.44 million at March 31, 2017 to ₹247,343.66 million at March 31, 2018 primarily due to an increase in Cash and Balances with RBI.

INVESTMENTS

Total investments increased by 36.7% from ₹500,317.98 million at March 31, 2017 to ₹683,989.39 million at March 31, 2018 primarily due to an increase in SLR securities by ₹134,056.16 million from ₹354,804.67 at March 31, 2017 to ₹488,860.83 at March 31, 2018.

ADVANCES

During FY 2017-18, the Bank recorded a growth of 53.9% in its loan book with advances increasing to ₹2,035,338.63 million, primarily due to increase in term loan of the Bank by 59.6%. Corporate Banking accounted for 67.9% of the Advances portfolio, while Retail & Business Banking (incl. MSME) constituted 32.1%.

Net advances of IFSC Banking Unit (IBU) in GIFT City increased from ₹60,340.00 million at March 31, 2017 to ₹144,065.62 million at March 31, 2018.

FIXED ASSETS AND OTHER ASSETS

Fixed assets (net block) increased by 21.8% from ₹6,835.39 million at March 31, 2017 to ₹8,323.92 million at March 31, 2018. The addition in fixed assets is primarily due to branch expansion to 1,100 as on March 31, 2018 from 1,000 as on March 31, 2017 and continued investment in information technology. Other assets increased by 19.3% from ₹125,324.60 million at March 31, 2017 to ₹149,460.44 million at March 31, 2018.

FINANCIAL CONDITION

LIABILITIES

₹ in million

Particulars	At March 31, 2018	At March 31, 2017	% change
LIABILITIES			
CAPITAL	4,605.93	4,564.86	0.9%
RESERVES AND SURPLUS	252,976.86	215,975.74	17.1%
DEPOSITS	**2,007,381.48**	**1,428,738.57**	**40.5%**
Current deposit accounts	288,257.25	190,878.20	51.0%
Saving Account	443,504.51	327,818.30	35.3%
CASA	**731,761.76**	**518,696.50**	**41.1%**
TERM DEPOSIT	**1,275,619.72**	**910,042.07**	40.2%
BORROWINGS	**748,935.81**	**386,066.73**	**94.0%**
Borrowing in India	461,878.31	225,174.46	105.1%
Borrowings outside India	287,057.50	160,892.27	78.4%
OTHER LIABILITIES AND PROVISIONS	**110,555.95**	**115,253.29**	**-4.1%**
TOTAL	**3,124,456.03**	**2,150,599.18**	**45.3%**

EQUITY CAPITAL AND RESERVE AND SURPLUS

On September 8, 2017, the shareholders of the Bank approved the sub-division of each equity share having a face value of ₹10 into five equity shares having a face value of ₹2 each through postal ballot. The record date for the sub-division was September 22, 2017.

Share capital of the Bank increased from ₹4,564.86 million as at March 31, 2017 to ₹4,605.93 million as at March 31, 2018. During the financial year ended March 31, 2018, the Bank has issued ₹20,538,180 shares pursuant to the exercise of employee stock options (ESOPs).

Reserves and Surplus increased from ₹215,975.74 million as at March 31, 2017 to ₹252,976.86 million as at March 31, 2018. Increase in Reserve and Surplus is primarily due to accretion of profits and increase in Share Premium account.

DEPOSITS

Deposits increased by 40.5% from ₹1,428,738.57 million at March 31, 2017 to ₹2,007,381.48 million at March 31, 2018. Term deposits increased by 40.2% from ₹910,042.07 million at March 31, 2017 to ₹1,275,619.72 million at March 31, 2018, while savings account deposits increased by 35.3% from ₹327,818.30 million at March 31, 2017 to ₹443,504.51 million at March 31, 2018 and current account deposits increased by 51.0% from ₹190,878.20 million at March 31, 2017 to ₹288,257.25 million at March 31, 2018. The Bank has seen an increase in the composition of granular deposits on account of an increasing branch franchise and customer base of the Bank. The current and savings account (CASA) deposits increased from ₹518,696.50 million at March 31, 2017 to ₹731,761.76 million at March 31, 2018. Total deposits at March 31, 2018 constituted 72.8% of the funding (i.e., deposits and borrowings). The Bank's CD ratio stood at 101.4% as at March 31, 2018.

BORROWINGS

Borrowings increased by 94.0% from ₹386,066.73 million at March 31, 2017 to ₹748,935.81 million at March 31, 2018 primarily because during the year ended March 31, 2018, the Bank has raised ₹70,000 million Basel III Compliant Tier-II bonds and ₹54,150 million Basel III compliant Additional Tier I bonds, Further, the Bank has raised bonds of ₹38,975 million in the form of medium-term note from international debt market.

OTHER LIABILITIES

Other liabilities decreased marginally by 4.1% from ₹115,253.29 million at March 31, 2017 to ₹110,555.95 million at March 31, 2018.

REGULATORY CAPITAL

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

Capital Adequacy Ratios	At March 31, 2018	At March 31, 2017
Total capital ratio (CAR) out of the above	18.4%	17.0%
- CET1	9.7%	11.4%
- Tier I Capital	13.2%	13.3%
- Tier II Capital	5.2%	3.7%

As per Basel III norms, the Bank had a capital adequacy ratio of 18.4% as at the end of March 31, 2018. As per Basel III, Tier I capital ratio was 13.2% and the Tier II capital ratio was 5.2% as at March 31, 2018. The Bank has raised ₹70,000 million non-convertible, redeemable, Basel III Compliant Tier II bonds and ₹54,150 million Basel III compliant Additional Tier I bond which helped in strengthening the capital adequacy of the Bank.

SUBSIDIARY PERFORMANCE

YES Securities (India) Limited (YSIL) is the Bank's Investment Banking, Merchant Banking and Broking subsidiary. During the year, the Bank has infused capital of ₹550 million in YES Asset Management (India) Limited (YAMC) and ₹5 million in Yes Trustee Limited (YTL). All the three subsidiaries are wholly owned subsidiaries of the Bank. YTL's principal activity is to act as trustee for funds (Yes Mutual Fund), the company was incorporated on 3rd May, 2017. YAMC has entered into investment management agreement with YTL to act as the investment manager for any funds to be launched by Yes Mutual fund.

During FY 2017-18, profit after tax of YSIL increased from profit of ₹97.89 million in FY 2016-17 to profit of ₹133.01 million. Total revenue of YSIL increased by 12.6% from 637.90 million during FY 2016-17 to 718.58 million in FY 2017-18. Further, YAMC has made loss of ₹45.79 million with total income of ₹7.84 million with and YTL has made loss of ₹0.66 million with total revenue of ₹0.06 million.

UPDATE ON IndAS IMPLEMENTATION:

The Institute of Chartered Accountants of India has issued IndAS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these accounting standards (IndAS) for adoption. The Reserve Bank of India (RBI) through its press release dated April 5, 2018 has deferred the implementation of Indian Accounting Standards (IndAS) by one year for scheduled commercial banks. In accordance with the same, the IndAS is applicable to banks from April 1, 2019.

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

- Submitted Proforma IndAS financial statements to the RBI for the half-year ended September 30, 2016, and for the quarter ended June 30, 2017 as required.
- Formed Steering Committee for IndAS implementation. The Steering Committee comprises Chief Financial Officer (CFO) (Chairman), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Information Officer (CIO) and members of the Senior Management from Financial Management, Risk Control and Treasury Operations. The Committee oversees the progress of IndAS implementation in the Bank, and provides guidance on critical aspects of the implementation such as IndAS technical requirements, systems and processes, business impact, people and project management. The Committee closely reviews progress of the implementation.
- Steering committee updates the Audit Committee and the Board on preparedness for migration to IndAS on a quarterly basis.
- Further, the Bank has evaluated various IT solutions to automate Expected Credit Losses (ECL) computation and other accounting changes required in IndAS in order to improve the robustness of the process.

YES BANK will continue to liaise with RBI and industry bodies on various aspects pertaining to IndAS implementation.

STRENGTHS

Since Inception, the Bank has displayed strong financial and business performance, across macroeconomic cycles. In the past decade, Indian Banking Sector has been subjected to multiple challenges including the Global Financial Crisis in 2008-09, Liquidity tightening measures in 2013 and macroeconomic slowdown in past few years coupled with Asset Quality overhang emanating out of over leverage in Corporates. Despite the foregoing, the Bank has delivered consistent Earnings and Growth while maintaining healthy Asset Quality. During the first 3 years of the Bank's Large Bank Growth Phase (2015-2020), Total Assets grew at CAGR of 32% with corresponding growth of 33% in earnings and 28% in Net Profit. The Bank has also delivered best in class GNPA and NNPA ratio of 1.28% and 0.64% respectively,

as on March 31, 2018. This superior delivery has come on the back of strong and experienced leadership, competitive offerings and technology driven service delivery across Corporate, MSME & Retail Segments and Robust Risk Management practices.

The Bank's Earnings and Growth momentum has further got a boost through its IBU Branch at GIFT City which caters to the funding requirements of domestic corporate clients and since operationalization in Oct 2015, has grown to USD 2.5 billion in Total Assets. The IBU branch, along with 3 Representative offices in Abu Dhabi and London & Singapore (received approval from RBI for these 2 locations which will be operationalized within the next 1 year), will enable the Bank to expand services to the NRI population and Indian origin business at these locations and thus completing the suite of our International product offerings.

The Bank has also time and again demonstrated ability to raise different forms of capital to support its growth, with the Bank raising ₹124.2 billion of Total Capital Funds in FY18 through issue of ₹54.2 billion of Basel III ATI and ₹70 billion of Basel III Tier II Bonds. Healthy internal accruals, with RoA and RoE of 1.6% and 17.7% respectively in FY18 has also bolstered Bank's Capital Ratio while supporting ability to grow and gain market share.

The Bank is a leader in new age payments, and has been consistently ranked on the top for its share of UPI payments, IMPS, AEPS etc. The Bank was ranked 2nd in performance on Digital payments across public, private, foreign and private banks in India by Ministry of Electronics and Information Technology. The Bank is also accessing new age innovation through its Fintech Accelerator program, which in conjunction with its API banking offering is enabling it to rapidly expand its franchise through the A.R.T (Alliance. Relationships. Technology) approach.

To sum up, 18,000+ strong empowered YES BANKers, increasing Size, Scale & Reach, Capabilities to bank the entire ecosystem of Corporate, MSME & Retail customers and Scalable model through Digital & Technology innovations is enabling the Bank to capture market share at an increasing pace and grow business organically.

WEAKNESS

Although the Bank has made significant strides over the last few years, it is still a relatively small player in the Indian banking space with relatively lesser number of branches and penetration as compared to the larger peers. While the Bank is overcoming some of these challenges through technology led solutions, given that the Indian customer landscape has not fully evolved towards digital channels, the Bank will need to continue to invest in building a digical setup.

The Bank also has higher Corporate advances constituting 67.9% of the book compared to 32.1% of Retail & MSME. However, the Bank is rapidly increasing granularity in its advances book. Core Retail Banking advances doubled in FY18 and now stands at 12.2% of Total Advances and MSME book grew by 34.4% during the same period. The Bank is committed to increase share of Retail and MSME segments.

The Bank is not an 'Agency bank' and hence does not have access to a significant portion of Government business opportunity. The Bank is hopeful that given the thrust on digital banking by the Government of India, some of the legacy rules regarding 'Agency Banking' will be reformed to include new-age banks like YES BANK for the agency banking business.

OPPORTUNITIES

India is one of the fastest growing economies in the world with a potential to become one of the Top 3 global economies over the next decade. Policy focus on micro, macro, institutional, administrative, and behavioral reforms is evolving towards an environment for enhancing ease of doing business. As India's potential growth moves up; rapid urbanisation, enhanced spending on infrastructure, and further deepening of the 'formalization through financialization' drive are likely to increase the credit intensity within the economy.

Government's efforts at reviving capex amid its focus on infrastructure sectors like roads, railways, ports, and power, as well as affordable housing, is helping to create a salubrious environment for crowding in private investment. Further, with increase in pace of resolution of stressed assets through the National Company Law Tribunal (NCLT) under the IBC framework, and the overall cost of credit coming down, there is likely to be significant unlocking of stuck capitala lot of suppressed demand for credit presenting opportunity to the Bank to selectively finance large corporates who are bidding in the IBC resolution proceedings.

The Bank has also recently got empanelment with the NSE as a Clearing Bank. This will open up significant business opportunities with the brokers of NSE. The Bank is already empaneled as a Clearing Bank with the BSE.

The Bank has established two subsidiaries namely YES Securities India Limited and YES Asset Management Company. YSL has over the past few years gained strong mind-share and market share across broking, investment banking & merchant banking businesses. YES AMC

which will be functional in this Calendar Year will further strengthen YES BANK's expertise in wealth management solutions, debt capital markets and gain from its significant and growing customer base & distribution network, and overall execution expertise, to build a large and profitable Fund Management franchise

THREATS

While the reforms process has started to gain momentum, the upcoming state elections & general elections could pose political uncertainty.

Though we believe that Stressed Assets have bottomed out for the system, with even visible early signs of recovery, global uncertainties in terms of a possible escalation in global trade war led by the US and China, further hardening of international crude oil prices, and removal of monetary accommodation by systemically important central banks globally could have short to mid-term impact on global demand, inflationary impulses, liquidity, and financial market volatility.

Domestic interest rates have already started to firm up in response to some of the above mentioned risks. The bond portfolio of banks' could potentially be vulnerable to mark-to-market losses in such an environment.

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Fourteenth Annual Report on business and operations of your Bank together with the audited accounts for the year ended March 31, 2018.

BUSINESS OVERVIEW AND OUTLOOK

Your Bank had another year of highly satisfactory business and financial outcomes in Financial Year ('FY') 2017-18 with a net profit of ₹42,246 million which is an increase of 26.9% from FY 2016-17. Your Bank showed continued acceleration and momentum in building a strong liability franchise with CASA ratio at 36.5% at the end of FY 2017-18. Your Bank's Retail Assets Product Suite has also built significant traction and Digitization remains a key focus to further grow the Retail and MSME book. Your Bank's branch network stood at 1,100 branches and 1,724 ATMs (including Bunch Note Acceptors) as on March 31, 2018.

STATE OF THE AFFAIRS OF THE BANK

FY 2017-18 was a significant year in your Bank's lifecycle wherein your Bank raised incremental growth capital aggregating to ₹124,150 million through various instruments, thus, demonstrating its ability to raise capital across products and cycles. Of this amount, your Bank raised an aggregate of ₹70,000 million via Basel III compliant Tier 2 bonds and ₹54,150 million via Basel III compliant AT1 bonds.

Your Bank was the first bank in India to commence operations at International Financial Services Centre ('IFSC') at GIFT City, Gujarat ('IBU'). In FY 2017-18, your Bank's IFSC Business Unit ('IBU') balance sheet size crossed USD 2.5 billion as on March 31, 2018 on the back of significant momentum from specialized knowledge sectors.

On February 06, 2018, your Bank successfully completed issuance of its maiden USD 600 million bond issuance in the international debt markets under its USD 1 billion Medium Term Note (MTN) programme which was the largest debut international bond issuance by an Indian bank including the lowest spread. The tenor of the bond is 5 years with a rating of Baa3 by Moody's Investors Service. The Bond is listed on the London Stock Exchange International Securities Market (LSE ISM), the Singapore Exchange Securities Trading Limited (SGX) and the India International Exchange IFSC at GIFT City, Gandhinagar. The proceeds are being used to fund your Bank's IFSC Banking Unit (IBU) in Gift City and expand IBU's rapidly growing business opportunities.

Your Bank raised USD 150 million long tenor loan from Overseas Private Investment Corporation ('OPIC'), the U.S. Government's development finance institution, and Wells Fargo to increase lending to MSMEs in India. USD 50 million of the financing is being specifically used to expand support to women-owned businesses, while another USD 50 million is being used for financing MSME businesses in low-income states. This was the third such transaction between OPIC and your Bank after the first transaction of **USD 265 million OPIC facility in 2016**, towards MSME financing in India.

Your Bank entered into a **USD 400 million co-financing programme with the European Investment Bank ('EIB')** to increase lending to renewable energy power generation across India, with special focus on construction of new solar plants and wind farms across the country. This novel initiative, where EIB will lend USD 200 million to your Bank for 15 years for on-lending to the renewable sector is EIB's first partnership with your Bank and is also EIB's first-of-its-kind financing agreement for renewable energy in Asia. This demonstrates another milestone in your Bank's leadership as India's pre-eminent 'Green Bank'. The highly successful transaction showcases continued trust and enthusiasm of Global multilaterals and Finance Institutions in partnering with your Bank.

In November 2017, your Bank successfully closed a 5 year Syndicated loan facility led by CTBC Bank, Bank of Taiwan, Mega International Commercial Bank and Land Bank of Taiwan, which saw participation from 17 banks. The syndication which closed at USD 250 million, saw a total subscription of USD 355 million and ranks amongst the largest bank participation in a Taiwan loan transaction. This is your Bank's second such strategic loan syndication transaction in Taiwan after a successful maiden transaction in 2016 for a 5 year, USD 130 million syndicated loan.

Your Bank raised its **maiden one year Samurai loan** in a syndication led by Bank of Tokyo Mitsubishi UFJ, Ltd. (MUFG). The issue was successfully closed with oversubscription and saw total participation of JPY 16.5 billion (~USD 150 million) across 8 banks.

Further information on the Business overview and outlook and State of the affairs of your Bank is discussed in detail in the Management Discussion & Analysis section.

There is no change in the nature of business of your Bank for the year under review.

FINANCIAL PERFORMANCE (STANDALONE)

₹ in million

Particulars	April 01, 2017 to March 31, 2018	April 01, 2016 to March 31, 2017
Deposits	2,007,381.48	1,428,738.57
Borrowings	748,935.81	386,066.73
Advances	2,035,338.63	1,322,626.77
Total Assets/Liabilities	3,124,456.03	2,150,599.18
Net Interest Income	77,370.59	57,973.07
Non-Interest Income	52,238.34	41,567.57
Operating profit	77,481.13	58,375.23
Provisions and Contingencies	15,538.04	7,934.05
Profit before Tax	61,943.09	50,441.18
Provision for taxes	19,697.45	17,140.21
Net Profit	42,245.64	33,300.96
Add: Surplus/(Deficit) brought forward from last period	79,333.92	55,446.80
Amount available for appropriation	121,579.56	88,747.77
APPROPRIATIONS		
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	10,561.41	8,325.24
Capital Reserve	659.65	1,083.00
Investment Reserve	-	-
Proposed Dividend and Tax thereon*	6,605.48	-
Adjustment to earlier year dividend and tax thereon	-	5.61
Surplus carried to Balance Sheet	103,753.02	79,333.91
KEY PERFORMANCE INDICATORS		
Net Interest Margin	3.5%	3.4%
Return on Annual Average Assets	1.6%	1.8%
Return on Equity	17.7%	21.5%
Cost to Income Ratio	40.2%	41.4%

** The Bank has sub-divided each equity share having face value of ₹10 per share into five equity shares having a face value of ₹2 per share. The sub-division of equity shares has been approved by shareholders. The record date for the sub-division was September 22, 2017. Per share information mentioned above reflects the effect of sub-division for each of period presented.*

Your Bank posted Net Revenue (Net Interest Income and other income) of ₹129,608.93 million and Net Profit of ₹42,245.64 million for FY 2017-18. The Net Revenue and Net Profit for FY 2016-17 were ₹99,540.64 million and ₹33,300.96 million, respectively. Appropriations from the Net Profit have been effected as per the table given above. Please refer to the section on Financial and Operating Performance in the Management Discussion and Analysis for a detailed analysis of financial data.

DIVIDEND

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 ₹2.70 per equity share having face value of ₹2 each (135%) for the year ended March 31, 2018 for approval by the Shareholders at the 14th Annual General Meeting (₹12 per equity share having face value of ₹10 each (120%) for the previous year ended March 31, 2017). This dividend shall be subject to tax on dividend to be paid by the Bank. The dividend proposed is in line with the Dividend Policy of the Bank. The details about the Dividend Policy of the Bank has been provided in the Report on Corporate Governance forming part of this Annual Report.

On September 08, 2017, the shareholders of the Bank had approved the sub-division of each equity share having a face value of ₹10 into five equity shares having a face value of ₹2 each through postal ballot. The record date for the sub-division was September 22, 2017.

TRANSFER TO RESERVES

As per requirement of RBI regulations, the Bank has transferred the following amount to various reserves during Financial Year ended March 31, 2018:

₹ in million

Amount transferred to	Amount
Statutory Reserve	10,561.41
Capital Reserve	659.65
Investment Reserve	-

CAPITAL RAISING & CAPITAL ADEQUACY RATIO (CAR)

During FY 2017-18, with a view to encourage wider participation of small investors by making Equity Shares of the Bank affordable, your Bank had sub-divided the erstwhile Face value of Equity Shares of ₹10 (Rupees Ten only) each, fully paid into a smaller denomination of ₹2 (Rupees Two only) per Equity Share fully paid up.

During the FY 2017-18, your Bank has issued 2,05,38,180 equity shares of ₹2 each pursuant to the exercise of stock options aggregating to ₹4,10,76,360, out of which 15,40,740 equity shares were of the face value of ₹10 each, issued prior to sub-division of the equity shares of the Bank, which were later converted into 77,03,700 equity shares of ₹2 each and 1,28,34,480 equity shares of ₹2 each were issued post sub-division of equity shares of the Bank.

Post allotment of aforesaid equity shares, the issued, subscribed and paid up share capital of your bank stands at ₹4,606 million comprising of 2,302,967,245 equity shares of ₹2 each as on March 31, 2018.

Your Bank has not issued any equity shares with differential voting rights during the year.

During the year, the bank has raised ₹70,000 million by way of issue of non-convertible, redeemable, Basel III Compliant Tier 2 bonds and ₹54,150 million by way of issue of Basel III compliant Additional Tier 1 bonds. Further, the Bank has raised USD 600 million (₹38,975 million) by way of issue of fixed rate medium term note in international debt market under its USD 1 billion Medium Term Note Programme.

In line with the RBI circular on Capital Adequacy Framework, your Bank has computed capital charge for operational, market & credit risk and its Capital Adequacy Ratio as per Basel III accord as at March 31, 2018.

Your Bank is well capitalized with a Capital Adequacy Ratio of 18.4% as on March 31, 2018, of which Tier 1 Capital Ratio was 13.2% and Tier 2 Capital Ratio was 5.2%.

DEPOSITS

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

AWARDS AND RECOGNITIONS

During the year under review, your Bank was recognized in various ways/by various institutions and some of the key awards presented to the Bank are listed below:

- YES BANK was awarded the 'Best Bank for SMEs in India' at the Asiamoney Best Banks Awards 2018
- YES BANK was awarded 'Bank of the Year – India 2017' by The Banker Magazine, part of the Financial Times group, UK (twice in last three years)
- YES BANK was awarded Best Bank in India in the Asiamoney Corporate Client Choice Survey 2017 and Recognized as Best Bank in India for CSR in the Asiamoney Awards 2017
- YES BANK was awarded the 'APAC Leader in Digital Transformation' in 'White Label Products and Bank-as-a-Service' category at the Financial Insights Innovation Awards 2017, Singapore
- YES BANK was awarded the Karlsruhe Sustainable Finance Award 2017 in the 'Best Innovation in Sustainable Financial Products & Services' category, for its innovative blended finance facility, aimed at promoting environmentally sustainable livelihood among women salt farmers in Gujarat, India
- YES BANK was recognized in the Gartner Excellence Awards for its Big Data Analytics use cases
- YES SECURITIES recognized as 'India's Best Investment Bank' by Global Finance magazine
- YES BANK was recognized as the 'Fastest Growing Mid-Sized Bank' at Business Today Best Bank Awards
- YES BANK was awarded in the 'Fastest Growing Mid-Sized Bank' Category at BW Bussinessworld Magna Award
- YES BANK was awarded for innovation in Blockchain product (supply chain vendor financing) and YES ENGAGE at the Finnoviti Award 2018
- YES BANK was awarded as 'The Extraordinaire – Brand' at the Brand Vision Summit 2018
- YES BANK was ranked first for Sustainability Performance & Sustainability Reporting at the Indian Chamber of Commerce Corporate Governance & Sustainability Vision Awards 2018
- YES BANK was awarded 'Accelerator of the Year' for YES FINTECH by the India Fintech Awards 2017

- YES BANK was awarded at the 29th Qualtech Prize for Improvement and Innovation in the BFSI Industry for use of Data Analytics by Qimpro Consultants
- YES BANK was adjudged the 'Global Winner' in the Supply Chain Finance category and was also adjudged as Transaction Bank of the Year for Asia Pacific at The Banker Transaction Banking Awards 2017
- YES BANK was awarded Best Bank in India – CSR in the Asiamoney Country Awards 2017, Hong Kong
- YES BANK was one of the highest gainers in rankings in the prestigious The Banker 1000 Rankings in 2017 of Largest Banks of the World and 2017 edition of Forbes Global 2000 List of World's Largest Companies
    - Rose 129 places to #271 World Ranking in 'The Banker 1000 Rankings'
    - Rose 493 places to #1239 World ranking in 'Forbes Global 2000 List'. Continues to be amongst the youngest Banks in this list.
- YES BANK won two awards at The Asset Triple A Asia Infrastructure Awards 2017
    - Renewable energy deal of the year – Solar (Overall), for Sepset Construction Limited loan facility, in which YES BANK acted as the Lead Arranger
    - Project finance/Renewable energy deal of the year – Solar, India, for Sepset Construction Limited in which YES BANK acted as the Lead Arranger
- YES BANK was awarded Celent Model Bank 2017 Award for Payments Product for API Banking, in Boston. YES BANK was the first Bank to introduce 'API Banking' service in India
- YES BANK was adjudged the 'Best Trade Finance Bank in India' at The Asian Banker Transaction Banking Awards 2017, for the 3rd year in a row
- YES BANK was awarded the 'Best Digital Payments System by Banks for Smart Cities' during the Smart City Conclave 2017 in Chandigarh
- YES BANK was awarded Golden Peacock award for Corporate Social Responsibility 2017
- YES BANK was awarded Golden Peacock National Training Award 2018

EMPLOYEES STOCK OPTION SCHEME

On September 22, 2017, pursuant to the approval of shareholders, your Bank has sub-divided the equity shares having face value of ₹10 each fully paid up into five equity shares having face value of ₹2 each fully paid up. All shares and per share information in the table given below are restated to reflect the effect of sub-division for each of the periods presented.

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. In terms of compensation and benefit policy of the Bank, employees are granted options as part of Annual Performance Review process based on their performance as well as to ensure their retention, and to hire the best talent for its senior management and key positions.

The Bank has Four Employee Stock Option Schemes in operation viz.:

- Joining Employee Stock Option Plan II (JESOP II);
- Joining Employee Stock Option Plan III (JESOP III);
- YBL ESOP (consisting of two sub schemes JESOP IV/ PESOP I); and
- YBL JESOP V/PESOP II (consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010).

The Employee Stock Option Plans are administered by the Nomination & Remuneration Committee of the Board of the Bank. The details of vesting of various schemes are as follows:

ESOP Schemes	Vesting Period
JESOP II	50% at the end of 3rd year and balance at the end of 5th year from the Grant date.
JESOP III	50% at the end of 3rd year and balance at the end of 5th year from the Grant Date.
JESOP IV	50% at the end of 3rd year and balance at the end of 5th year from the Grant date.
JESOP V	50% at the end of 3rd year and balance at the end of 5th year from the Grant Date.
PESOP I	25% at the end of each year from the Grant Date.
PESOP II	30%, 30% & 40% at the end of 1st year, 2nd year and 3rd year respectively from the Grant Date.
PESOP II - 2010	30%, 30% & 40% at the end of 3rd year, 4th year and 5th year respectively from the Grant Date.

During the year, all new grants have been made in YBL JESOP V and PESOP II – 2010 and grant under PESOP – II has been discontinued w.e.f. January 20, 2010. The schemes are in compliance with the SEBI (Share based Employees benefits) Regulations, 2014. Source of shares are primary in nature, since your Bank has been issuing new equity shares upon exercise of options.

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

No stock options were issued to the Directors of your Bank.

Various details including option movement during the year under Schemes i.e. JESOP II, JESOP III, YBL ESOP and YBL JESOP V / PESOP II respectively are as follows:

			YBL ESOP		YBL JESOP V / PESOP II		
	JESOP II	JESOP III	YBL ESOP (JESOP IV)	YBL ESOP (PESOP I)	YBL JESOP V	YBL PESOP II	YBL PESOP II – 2010
Date of Shareholders Approval	July 24, 2006	July 24, 2006	August 29, 2007	August 29, 2007	September 18, 2008*	September 18, 2008*	September 18, 2008*
Total Number of Options approved	25,000,000	25,000,000	25,000,000	25,000,000	47,500,000	76,140,000	101,360,000
Total Number of options outstanding at the Beginning of the period	-	-	367,300	664,825	20,247,650	5,030,675	59,106,665
Total No. of Options granted (during FY 2017-18)	-	-	-	-	1,697,500	-	3,847,500
The Pricing Formula	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1
Options Vested (during FY 2017-18)	-	-	-	-	649,900	-	5,328,100
Options Exercised (during FY 2017-18)	-	-	335,550	263,450	4,611,800	2,754,025	12,573,355
Total No. of shares arising as a result of exercise of option	-	-	335,550	263,450	4,611,800	2,754,025	12,573,355
Options lapsed / Forfeited (during FY 2017-18)	-	-	25,500	154,000	1,376,500	-	6,647,500
Total No. of options outstanding at the end of the year	-	-	6,250	247,375	15,956,850	2,276,650	43,733,310
Total No. of options exercisable at the end of the year	-	-	6,250	247,375	2,271,100	2,276,650	15,889,560
Variation of terms of options	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
Money realized by exercise of Options (during FY 2017-18) (in ₹)	-	-	12,108,830	9,188,143	356,917,936	65,074,379	935,364,414
(i) Total No. of Options granted to Senior Management Personnel (SMP)	-	-	-	-	-	-	Refer Sub-table 1
(ii) Any other employee who received a grant in any one year of options, amounting to 5% or more of options granted during that year	-	-	-	-	Refer Sub-table 2	-	Refer Sub-table 2
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Diluted Earnings Per Share (EPS) of the Bank after considering the effect of potential equity shares on account of exercise of Options				18.06			
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, 2018 and March 31, 2017. 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 ₹414.98 million (Previous year: ₹464.49 million), the basic earnings per share would have been ₹18.24 (Previous year: ₹15.56) per share instead of ₹18.43 (Previous year: ₹15.78) per share; and diluted earnings per share would have been ₹17.88 (Previous year: ₹15.14) per share instead of ₹18.06 (Previous year: ₹15.35) per share.						
Weighted average price of the shares exercised during the year (in ₹)	-	-	36.09	34.88	77.39	23.63	74.39
Weighted average fair values of the outstanding options (in ₹)	-	-	22.94	28.89	164.32	26.77	133.97

** The options under the scheme were increased subsequently from 1 crore to 3 crores and finally to 4.5 crores by the shareholders' approval dated September 03, 2009 and June 28, 2011 respectively.*

The Securities and Exchange Board of India ('SEBI') has prescribed two methods to account for stock grants; namely (i) the intrinsic value method; (ii) the fair value method. The Bank adopts the intrinsic value method to account for the stock options it grants to the employees. The Bank also calculates the fair value of options at the time of grant, using Black-Scholes pricing model with the following assumptions:

	March 31, 2018
Risk free Interest Rate	6.29%-9.23%
Expected life	1.5 yrs – 7.5 yrs
Expected Volatality**	25.01%-48.72%
Expected dividends	1.20%

***Expected volatility is average volatility for expected life of the option.*

Note 1: Being the closing price of the Equity Shares on the stock exchange with the highest trading volumes on the last working day prior to the date of grant.

Note 2: There is no variation in the terms of the options during the Financial Year ended March 31, 2018.

Sub-table 1: Following are the total number of stock options that have been granted to Senior Management Personnel ('SMP') during the financial year ended March 31, 2018:

Scheme	Name of Employees	Designation	Options granted	Grant Price
PESOP II 2010	Amit Sanan	Group President	50000	351.05
PESOP II 2010	Amit Shah	Senior President	75000	351.05
PESOP II 2010	Arun Agrawal	Group President	125000	351.05
PESOP II 2010	Aseem Gandhi	Senior President	75000	351.05
PESOP II 2010	Ashish Agarwal	Senior Group President	375000	351.05
PESOP II 2010	Devamalya Dey	Senior Group President	37500	351.05
PESOP II 2010	Jyoti Prasad Ratho	Senior President	50000	351.05
PESOP II 2010	Kumar Padhmanabhan	Senior Group President	125000	351.05
PESOP II 2010	Lata Dave	Senior President	100000	351.05
PESOP II 2010	Namita Vikas	Group President	25000	351.05
PESOP II 2010	Niranjan Banodkar	Senior President	62500	351.05
PESOP II 2010	Pralay Mondal	Senior Group President	175000	351.05
PESOP II 2010	Preeti Sinha	Senior President	25000	351.05
PESOP II 2010	Punit Malik	Group President	125000	351.05
PESOP II 2010	Rajat Mehta	Senior President	37500	351.05
PESOP II 2010	Shubhada Rao	Group President	25000	351.05
PESOP II 2010	Vinod Bahety	Group President	150000	351.05

Sub-table 2: Following are the details of the employees who have received the grant of options amounting to 5% or more of options granted during the financial year ended March 31, 2018.

Scheme	Name of Employees	Designation	Options granted*	Grant Price
JESOP V	Ajay Rajan	Group President - YES BANK Ltd.	300000	311.65
PESOP II 2010	Ashish Agarwal	Senior Group President - YES BANK Ltd.	375000	351.05
JESOP V	Prasanth Prabhakaran	CEO & Senior President, Brokerage - YES Securities (India) Ltd.	300000	344.15
JESOP V	Prasun Kumar Sikdar	Group President - YES BANK Ltd.	175000	311.65
JESOP V	Sandeep Prabhani	COO & Senior President - YES Asset Management (India) Ltd.	100000	311.65

** 5% of Schemewise grants.*

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY COMPANIES

As on March 31, 2018, your Bank had three wholly owned Subsidiaries, YES Securities (India) Limited **('YSIL')**, YES Asset Management (India) Limited **('YAMIL')** and YES Trustee Limited **('YTL')**.

YES SECURITIES (INDIA) LIMITED (YSIL)

YES Securities (India) Limited successfully completed its fourth full financial year of operations on March 31, 2018.

During FY 2017-18, YSIL earned a total revenue of ₹718.58 million against ₹637.90 million in the previous year. YSIL earned a profit of ₹133.01 million in FY 2017-18.

YSIL has two business segments namely Retail Broking and Investment Banking & Merchant Banking, which are explained as under:

Broking

YSIL continued to offer a best-in-class 3-in-1 account proposition supported by the Bank, and leveraged the Bank's branch network coverage to further strengthen its presence in the 10 focus cities – Mumbai, NCR, Bengaluru, Chennai, Hyderabad, Kolkata, Chandigarh, Pune, Ahmedabad and Jaipur. During the year, YSIL continued to invest in people, technology and processes to provide the Bank's valued customers a superior investment experience, both online and through a competent team of dealers.

YSIL's web and mobile investment platform saw consistent growth in client transaction volumes leading to record daily average turnover (DAT) metrics throughout the year. YSIL's Research desk continues to deliver solid fundamental and technical views and is closely followed by clients for its in-depth coverage.

Product Launches

1. Systematic Value Subscription Plan (S-VSP): Volume-linked advance brokerage plans geared towards long-term wealth creation by investing in direct equities through SIP route
2. YES Selectus: Portfolio Investment Advisory product offered to wealth-category clients
3. YES NRML: Leveraged product for high-volume traders

Investor Education Initiative(s) – YES MasterClass:

Multi-city events where experts from respected financial services institutions deliver investor education and investment-related insights to existing and potential customers.

In FY 2017-18, YES MasterClass travelled to over 5 cities and addressed 700+ financial enthusiasts and investors.

Further, in FY 2017-18, YSIL continued to build its Institutional Broking capabilities and secured empanelment as a Broker with several leading institutional and corporate clients.

Investment Banking

The Investment Banking team provides M&A and Capital Advisory services to large and mid-market corporate and financial sponsor clients through key products such as Mergers & Acquisition Advisory and Private Equity fund-raising.

YSIL's highly-experienced teams offer expertise across a variety of sectors including Food & Agribusiness, Media & Entertainment, Consumer Markets, Infrastructure & EPC, BFSI, Internet & E-commerce, Industrials and Logistics.

Further, YSIL's Sustainable Investment Banking (SIB) practice focuses on providing advisory services exclusively in the areas of Sustainability, Clean Technology, Renewable Energy, Environmental Services and Education.

YSIL's Investment Banking team closed marquee M&A and fund raising transactions during the year under review. Some of the representative transactions consummated by the team include:

- Exclusive strategic & financial advisor for sale of North Country Mall
- Strategic & financial advisor to Signature Global for raising growth capital from KKR
- Exclusive strategic & financial advisor to Massive Restaurant and Everstone Capital for raising funds from Gaja Capital
- Exclusive strategic & financial advisor to Travel News Service for stake sale to Future Retail
- Exclusive strategic & financial advisor to Bhilwara Energy for sale of 83 MW wind assets

Merchant Banking:

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

In FY 2017-18, the Merchant Banking team completed 15 transactions across ticket sizes and instrument types with an aggregate fund raise of over ₹250 billion, including 2 of the Top 3 Equity fund raises for the year. Some of the

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

- Book Running Lead Manager to the IPO of New India Assurance
- Seller's Broker to the OFS of NTPC
- Lead Manager to the QIP of Union Bank of India
- Book Running Lead Manager to the IPO of Reliance Nippon Life Asset Management

YES ASSET MANAGEMENT (INDIA) LIMITED (YAMIL) & YES TRUSTEE LIMITED (YTL)

YES BANK Limited has incorporated YES Asset Management (India) Limited on April 21, 2017 and YES Trustee Limited on May 03, 2017 as wholly owned subsidiaries for the proposed mutual fund business. The final approval from SEBI for the mutual fund is awaited.

YTL will be the legal owner of the property of the Mutual Fund (with the beneficial ownership vesting in the unit holders of the Mutual Fund) and will hold the same in trust for the benefit of the unit holders of the Mutual Fund.

YAMIL has been appointed as the Investment Manager of the Mutual Fund by the YTL vide duly signed and executed Investment Management Agreement between them.

The Financials of the subsidiaries of the Bank are available on the website of the Bank (www.yesbank.in). Any member who is desirous to have a copy of the annual accounts of the subsidiaries may write to the Company Secretary of the Bank. Financials of Bank and its subsidiaries shall also be available for inspection by members or trustees of the holders of any debentures of the Bank at its Registered office.

RATINGS OF VARIOUS DEBT INSTRUMENTS

During the year under review, your Bank has raised ₹124,150 million by way of issue of rated listed unsecured Bonds in the nature of Debentures and USD 600 million by way of issue of senior unsecured fixed rate notes under its maiden USD 1 billion Medium Term Notes ('MTN') Programme. These instruments have been rated by various rating agencies namely Moody's Investors Service, ICRA Limited ('ICRA') and India Ratings & Research Pvt. Ltd. ('India Ratings'), a Fitch Group Company, etc. The details of the instruments as well as their ratings are as below:

i. Your Bank issued 25,000 Rated Listed Non-Convertible Redeemable Unsecured Basel III Compliant Tier 2 bonds in the form of Debentures issued on Private Placement basis of Face Value of ₹10,00,000 each fully paid up aggregating to ₹25,000 million on September 29, 2017 and the issue was rated by ICRA and India Ratings. ICRA assigned a rating of 'ICRA AA+ (hyb)' with a Positive Outlook and India Ratings assigned a rating of 'IND AA+' with a Stable Outlook.

ii. Your Bank issued 15,000 Rated Listed Non-Convertible Redeemable Unsecured Basel III Compliant Tier 2 bonds in the form of Debentures issued on Private Placement basis of Face Value of ₹10,00,000 each fully paid up aggregating to ₹15,000 million on October 03, 2017 and the issue was rated by ICRA and India Ratings. ICRA assigned a rating of 'ICRA AA+ (hyb)' with a Positive Outlook and India Ratings assigned a rating of 'IND AA+' with a Stable Outlook.

iii. Your Bank issued 54,150 Perpetual Subordinated Unsecured Basel III Compliant Additional Tier 1 Bonds in the nature of Debentures issued on Private Placement basis of Face Value of ₹10,00,000 each fully paid up aggregating to ₹54,150 million on October 18, 2017 and the issue was rated by ICRA and India Ratings. ICRA assigned a rating of 'ICRA AA (hyb)' with a Positive Outlook and India Ratings assigned a rating of 'IND AA' with a Stable Outlook.

iv. Your Bank issued 30,000 Rated Listed Non-Convertible Redeemable Unsecured Basel III Compliant Tier 2 bonds in the form of Debentures issued on Private Placement basis of Face Value of ₹10,00,000 each fully paid up aggregating to ₹30,000 million on February 22, 2018 and the issue was rated by ICRA and India Ratings. ICRA assigned a rating of 'ICRA AA+ (hyb)' with a Positive Outlook and India Ratings assigned a rating of 'IND AA+' with a Stable Outlook.

v. Your Bank established a USD 1 billion MTN Programme during the FY 2017-18 which was listed on India INX's Global Securities Market ('GSM'), London Stock Exchange International Securities Market ('LSE ISM') and the Singapore Exchange Securities Trading Limited ('SGX'). Your Bank has drawn down USD 600 million under the MTN Programme. The MTN Programme of the Bank was rated by Moody's Investors Service which has assigned a rating of 'Baa3' with a Stable Outlook to the notes of the Bank.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

APPOINTMENTS

MR. SUBHASH CHANDER KALIA

Mr. Subhash Chander Kalia was appointed as an Additional Director on the Board of the Bank on April 03, 2018, to hold office as Non-Executive Non-Independent Director upto the date of ensuing Annual General Meeting ('AGM'). Mr. Kalia was earlier associated with the Bank as Strategic Advisor. Your Bank has received a notice in writing from a member proposing the candidature of Mr. Kalia as Director on the Board of the Bank. Further, the Nomination and Remuneration Committee ('N&RC') and Board of Directors of the Bank have also recommended the appointment of Mr. Kalia as Non-Executive Non-Independent Director, liable to retire by rotation, to the Shareholders at the ensuing AGM.

MR. RENTALA CHANDRASHEKHAR

Mr. Rentala Chandrashekhar was appointed as an Additional Director on the Board of the Bank on April 26, 2018, to hold office upto the date of ensuing AGM. Your Bank has received a notice in writing from a member proposing the candidature of Mr. Chandrashekhar as Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Mr. Chandrashekhar as an Independent Director to the Shareholders at the ensuing AGM.

Dr. PRATIMA SHEOREY

Dr. Pratima Sheorey was appointed as an Additional Director on the Board of the Bank on April 26, 2018, to hold office upto the date of ensuing AGM. Your Bank has received a notice in writing from a member proposing the candidature of Dr. Sheorey as Director on the Board of the Bank. Further, the N&RC and Board of Directors of the Bank have also recommended the appointment of Dr. Sheorey as an Independent Director to the Shareholders at the ensuing AGM.

The relevant details including profiles of Mr. Subhash Chander Kalia, Mr. Rentala Chandershekar and Dr. Pratima Sheorey are included separately in the AGM Notice and report on Corporate Governance forming part of this Annual Report.

RE-APPOINTMENTS

MR. AJAI KUMAR

In terms of Section 152 of the Companies Act, 2013, Mr. Ajai Kumar, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

MR. RANA KAPOOR

Mr. Rana Kapoor has been serving as the Managing Director & CEO of the Bank since September 01, 2004, in accordance with the provisions of the Articles of Association ('AOA') of the Bank, recommendation of N&RC and the Board of Directors and with the approval of the Reserve Bank of India ('RBI') and Members, from time to time. His current tenure as MD & CEO of the Bank as approved by the RBI and Members (as approved by the Members at the AGM held on June 06, 2015) is valid upto August 31, 2018.

The Board of Directors at their meeting held on April 26, 2018 based on the provisions of the AOA and recommendation of N&RC, have decided to recommend the re-appointment of Mr. Rana Kapoor as MD & CEO with effect from September 01, 2018 for a period of three (3) years to the Members of the Bank for approval, subject to approval of RBI.

CESSATIONS

Mr. SAURABH SRIVASTAVA

Mr. Saurabh Srivastava, Independent Director of the Bank, on April 22, 2018 completed his tenure as Director on the Board of the Bank in terms of RBI approval dated January 28, 2016 and March 28, 2018. Accordingly, Mr. Srivastava ceased to be Director on the Board of the Bank.

Ms. DEBJANI GHOSH

Ms. Debjani Ghosh, Independent Director of the Bank, has tendered her resignation from the directorship of the Bank on April 26, 2018 with immediate effect, due to her preoccupation on account of her joining the NASSCOM as President.

The Board places on record its sincere appreciation for the valuable services rendered by Mr. Saurabh Srivastava and Ms. Debjani Ghosh during their tenure as Directors of the Bank.

KEY MANAGERIAL PERSONNEL

Mr. Rana Kapoor, MD & CEO, Mr. Raj K. Ahuja, Group Chief Financial Officer and Mr. Shivanand R. Shettigar, Company Secretary of the Bank are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder.

Mr. Raj K. Ahuja was appointed as Chief Financial Officer ('CFO') and Key Managerial Personnel, and was

designated as Group CFO of the Bank w.e.f. April 03, 2018 in compliance with RBI circular dated May 18, 2017 which *inter-alia* prescribed minimum qualification for CFO of the Banks. Mr. Rajat Monga ceased to be the CFO and Key Managerial Personnel in terms of the provisions of Section 203 of the Companies Act, 2013 with effect from April 03, 2018. Mr. Rajat Monga is continuing with his other important responsibilities in the Bank.

DECLARATION BY INDEPENDENT DIRECTORS

The Bank has received necessary declarations from each Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), that they meet the criteria of independence laid down thereunder.

FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS

Various programs were undertaken for familiarizing the Independent Directors which are disclosed in detail in the Corporate Governance Report, which forms part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/Committee meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time.

The Board met Eight (8) times during the Financial Year 2017-18 viz. on April 19, 2017, April 20, 2017, May 09, 2017 (for business strategy), June 06, 2017, July 26, 2017, October 26, 2017, November 29, 2017 and January 18, 2018.

Additionally, several Committee meetings were held during the year including Audit Committee and Risk Monitoring Committee Meetings, which met six (6) times during the year.

Detailed information on the meetings of the Board and its Committees are included in the report on Corporate Governance, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

The Bank has following twelve (12) Board level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Risk Monitoring Committee
3. Board Credit Committee
4. IT Strategy Committee
5. Corporate Social Responsibility Committee
6. Nomination and Remuneration Committee
7. Capital Raising Committee
8. Stakeholders Relationship Committee
9. Fraud Monitoring Committee
10. Service Excellence, Branding and Marketing Committee
11. Board Committee on Willful Defaulters & Non-Cooperative Borrowers
12. Committee of Independent Directors.

The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are given in the report on Corporate Governance which forms part of 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. The CSR Policy as recommended by the CSR Committee and as approved by Board is available on the website of the Bank at https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy

PERFORMANCE EVALUATION OF THE BOARD

Your Bank has laid down criteria for performance evaluation of the Directors including Chairman and MD & CEO, Board Level Committees and Board as a whole as well as the evaluation process for the same, in line with the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on the Board Evaluation dated January 05, 2017.

The performance evaluation of the members of the Board, the Board Level Committees and Board as a whole was carried out on April 25 and 26, 2018. Additional information on the Board Evaluation Process forms part of the Report on Corporate Governance.

CORPORATE GOVERNANCE

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Further, Corporate governance is based on the principles of conducting the business with all integrity, fairness, and being transparent with all the transactions, making the necessary disclosures and decisions, complying with the laws of the land, accountability and responsibility towards the stakeholders and commitment of conducting the business in an ethical manner. Your Board functions as trustees of the shareholders and seeks to ensure that the long-term economic value for its shareholders is achieved while balancing the interest of all the stakeholders. Your Bank is committed to achieve the highest standards of Corporate Governance and also adheres to the Corporate Governance requirements set by the Regulators/ applicable laws. In line with the foregoing, your Bank has adopted a Code of Corporate Governance which acts as a guide to the Bank and the Board on the best practices in the Corporate Governance.

A separate section on Corporate Governance standards followed by your Bank and the relevant disclosures, as stipulated under Listing Regulations, Companies Act, 2013 and rules made thereunder forms part of this Annual Report.

A Certificate from M/s. Mehta & Mehta, Practicing Company Secretaries, conforming compliance by the Bank to the conditions of Corporate Governance as stipulated under Listing Regulations, is annexed to the Report on Corporate Governance, which forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

VIGIL MECHANISM

In line with the provisions of Listing Regulations, the Companies Act, 2013 and the principles of good governance, the Bank has devised and implemented a vigil mechanism, in the form of 'Whistle Blower Policy'. The policy devised is also aligned to the recommendations of Protected Disclosure Scheme for Private Sector and Foreign Banks, instituted by Reserve Bank of India. Detailed information on the Vigil Mechanism of the Bank is provided in the Report on the Corporate Governance which forms part of this Annual Report.

RISK MANAGEMENT FRAMEWORK

The Bank's Enterprise Risk Management framework encompasses the following:

- **Risk Governance Framework:** The Bank has implemented an Enterprise Risk Governance framework to ensure non-silo based management and oversight of Risk. The Bank's Risk Management philosophy is guided by the Three Lines of Defence Principle
    - **First Line of Defence** – Business Management: Each business segment of the Bank has risk ownership and is responsible for assessment and management of risks and has the overall responsibility of the management and mitigation of the Risk. The segments are required to implement appropriate procedures to fulfil their risk governance responsibilities.
    - **Second Line of Defence** – Independent functions: The Bank's independent oversight functions, such as, Risk Management, Compliance, Legal, Fraud Containment Unit, etc. set standards for management and oversight of risks, including compliance with applicable laws, regulatory requirements and policies.
        - Risk Management: Risk Management establishes policies and guidelines for risk assessment and management and contributes to controls and tools to manage, measure and mitigate risks faced by the Bank.
        - Compliance: The Compliance vertical manages adherence to applicable laws and regulatory guidelines.
        - Legal: The Legal Risk Management division of the Bank undertakes various activities including advising business and operational management, acting as an independent control function while facilitating business, ensuring legal compliance, assisting the Board and Committees of the Board regarding analysis of laws and regulations, regulatory matters, disclosure matters, and potential risks and exposures on key litigation and transactional matters.
        - Finance: The Finance vertical provides key data and consultation to facilitate sound decisions in support of the objectives of the Bank and the business verticals. Finance serves as an independent control function advising business management and establishing policies or processes to manage risk. It has overall responsibility for managing the Bank's balance sheet and the Bank's liquidity and interest rate risk.

- FCU & AML: The Fraud Containment Unit is responsible for prevention and detection of internal and external frauds in the areas of Liabilities, Product and Support functions. The unit conducts transaction monitoring, forensic scrutiny, employee awareness trainings and vulnerability assessments to help achieve the said objective. The Anti Money Laundering Unit is responsible for identifying and reporting of suspicious transactions as prescribed under PMLA Act/ Regulators, across all Business segments of the Bank. The AML unit is equipped with qualified, trained and experienced staff, which monitors various transactions undertaken by customers with a view to combat financial crimes and prevents misuse of the accounts for money laundering.

- **Third Line of Defence** – Internal Audit: The Bank's Internal Audit function independently reviews activities of the first two lines of defence based on a risk-based audit plan and methodology approved by the Audit Committee of the Board. Internal Audit provides independent assurance to the Board, the Audit Committee, senior management and regulators regarding the effectiveness of the Bank's governance and controls designed for risk mitigation framework.

The Board of Directors of the Bank has overall responsibility of Risk Management. The Board oversees the Bank's Risk and related control environment, reviews and approves the policies designed as a part of overseeing the Risk Management practices. The Board ensures that comprehensive policies, systems and controls are in place to identify, monitor and manage material risks at a Bank-wide level, with clearly defined risk limits. The Board has laid down a Risk Appetite framework which articulates the quantum of risk the Bank is willing and able to assume in its exposures and business activities in pursuit of its strategic objectives and desired returns. The Board has also established policies governing risk management, such as, Enterprise Risk Management Policy, Reputation Risk Management Policy, Group Risk Management Policy, Credit Policy, ALM Policy, Model Risk & Governance Policy, etc.

The Board has put in place five Board level committees which *inter-alia* pertain to Risk Management, viz. Risk Monitoring Committee (RMC), Audit Committee (ACB), Fraud Monitoring Committee (FMC), Board Committee on Wilful Defaulters & Non-Cooperative Borrowers (BCWD&NCB) and Board Credit Committee (BCC) to deal with risk management practices, policies, procedures and to have adequate oversight on the risks faced by the Bank.

The Board Committees have set up various Executive level Committees for oversight over specific risks.

1. Management Credit Committee
2. Executive Credit Committee
3. Retail and Business Banking Credit Committee
4. Model Assessment Committee
5. Asset & Liability Management Committee
6. Investment & Financial Markets Management Committee
7. Operational Risk Management Committee
8. Outsourcing Management Committee
9. Business Continuity Management Committee
10. Security Council
11. Product Process Approval Committee
12. Fraud & Suspicious Transaction Monitoring Committee
13. Whistle Blower Committee
14. Enterprise Risk Management & Capital Management Committee
15. Strategy Management Committee
16. Reputation Risk Management Committee
17. Standing Committee on Customer Service
18. IT Steering Committee
19. Steering Committee for IFRS (Ind AS)
20. RBS – Reporting Oversight Committee
21. Apex Management Committee
22. Staff Accountability Committee

Risk events, potential threats, performance of the Bank vis-à-vis Risk Limits and Risk Appetite, Risk Profile dashboard covering key risk indicators, etc. are presented to these Committees, with QoQ/YoY trends highlighted, with level and direction of risk. The Bank also conducts a detailed Internal Capital Adequacy Assessment Policy ('ICAAP') review exercise to identify its Risk universe, internal controls and mitigation measures in place for the risks and capital requirements for identified risks. The ICAAP findings are presented to the RMC and the Board.

The Risk Management Unit is headed by the Chief Risk Officer ('CRO') who leads the Credit Risk (Underwriting) Unit, General Legal Counsel and other Risk Units. The CRO reports to the MD&CEO. The CRO is responsible to ensure an effective implementation of an enterprise wide risk management framework through various

risk policies, processes, limits and controls that enable prompt risk identification, accurate risk measurement and effective risk mitigation. CRO is also responsible for risk compliance and monitoring as well as reviewing and presenting various risk reports, policies and dashboards to RMC and Board.

The Risk Management Unit in the Bank is designed to establish an effective Enterprise Risk Management (ERM) framework for the Bank to ensure sustainable business growth with stability and to promote a proactive approach in identification, assessment, management and reporting of risks associated with business. The Risk Management Unit enables the Bank to successfully meet its business and financial goals, while maintaining effective Board and management oversight on Risk and Control parameters.

- **Risk Appetite:** The Bank's Risk Appetite statement details the level of aggregate risk that the Bank is willing to undertake and successfully manage in pursuit of its business goals.
- **Risk Management:** The Bank follows a standardized methodology of identification and assessment of material risks, implementation of internal controls and mitigation measures, ongoing quality reporting and monitoring of risks.
- **Capital Management and Risk-based Capital Allocation and Performance Measurement:** The Bank ensures deployment of capital within the organization based on risk tolerance, economic constraints, stakeholder needs and ensuring risk-based capital allocation and performance measurement.

LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided or acquisition of securities by a Banking company in the ordinary course of its business are exempted from disclosure requirements under Section 134(3) (g) of the Companies Act, 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There were no materially significant transactions with related parties including promoters, directors, key managerial personnel, subsidiaries or relatives of the Directors during the financial year which could lead to a potential conflict with the interest between the Bank and these parties. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Bank, nor were there any transactions with related parties, which were not on arm's length basis. Accordingly AOC-2 is not applicable to the Bank. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

Prior omnibus approval for normal banking transactions is also obtained from the Audit Committee for the related party transactions which are 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 for their approval.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Bank and the link for the same is https://www.yesbank.in/about-us/corporate-governance

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013, a Consolidated Financial Statement of the Bank along with its subsidiaries i.e. YES Securities (India) Limited, YES Asset Management (India) Limited and YES Trustee Limited has been prepared in the same form and manner as that of the Bank, which shall be laid before the ensuing AGM along with the laying of the Bank's Financial Statement under Section 129(2) i.e. Standalone Financial Statement of the Bank.

Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Bank along with its subsidiaries for the year ended March 31, 2018 forms part of this Annual Report.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

Your Bank has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. The Bank also ensures that internal controls are operating effectively.

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAs

As part of the Risk Based Supervision (RBS) exercise for FY 2016-17 concluded in October 2017, the RBI has pointed out certain retrospective divergence in

the Bank's asset classification and provisioning as on March 31, 2017. In conformity with the RBI circulars DBR. BP.BC.NO.63/21.04.018/2016-17 issued on April 18, 2017, SEBI circular issued on July 18, 2017 and as per the approval from the Board of Directors at its Meeting held on October 26, 2017, the detailed table outlining divergences in asset classification and provisioning is provided in the schedule 18 – note number 18.5.6.3 - Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2018.

AUDITORS

(A) STATUTORY AUDITORS AND THEIR REPORT

The Members of the Bank at the 12th Annual General Meeting held on June 07, 2016, have approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Bank for a period of 4 years, subject to the approval of the Reserve Bank of India, to hold office from the conclusion of the 12th AGM till the conclusion of 16th AGM of the Bank to be held in 2020, subject to ratification of their appointment by the Members at every AGM. Accordingly, appointment of M/s. B S R & Co. LLP, Chartered Accountants, as a Statutory Auditors of the Bank is required to be ratified by the Members at ensuing AGM of the Bank, subject to the annual approval of the Reserve Bank of India. The Bank has received the consent from the Auditors and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Bank in terms of the provisions of the Companies Act, 2013 and rules made thereunder. Accordingly, the Board of Directors has recommended the ratification of appointment of M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Bank, to hold office from the conclusion of the ensuing AGM till the conclusion of the 15th AGM, to the Members for their approval.

The Report given by the Auditors on the financial statements of the Bank forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no offence of fraud was reported by the Auditors of the Bank.

(B) SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, 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 2017-18. The Bank provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for FY 2017-18 is annexed to this report as Annexure 2. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated in Listing Regulations, the Business Responsibility Report describing the initiatives undertaken by the Bank from environmental, social and governance perspective is attached and forms part of 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, 2018 and the date of the Directors' Report i.e. April 26, 2018.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Bank's operation in future.

POLICY ON APPOINTMENT OF DIRECTORS

The Board of Directors of the Bank had formulated and adopted policy on 'Board Diversity and Fit & Proper Criteria and Succession Planning' for appointment of Directors on the Board of the Bank and succession planning. The details of the same have been included in the Report on Corporate Governance forming part of this Annual Report.

REMUNERATION POLICY

The Board of Directors of the Bank had formulated and adopted policies for Remuneration of Employees of the Bank, Remuneration of Directors including the Chairman of the Bank. The details of the same have been included in the Report on Corporate Governance forming part of this Annual Report.

EMPLOYEE REMUNERATION:

(a) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Companies Act, 2013, the same is open for inspection during working hours at the Registered Office of your Bank. A copy of

this statement may be obtained by the members by writing to the Company Secretary of your Bank.

(b) The ratio of the remuneration of each Director to the median remuneration of the employees of the Bank and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as Annexure 3.

EXTRACTS OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2018, forms part of this report as Annexure 4.

DISCLOSURES UNDER GREEN INFRASTRUCTURE BONDS

Since the first issuance by Your Bank in February 2015, green bond issuances in India are witnessing a steady growth, making India one of the top ten largest green bond markets globally. These instruments are playing a pivotal role in the realization of India's renewable energy potential and towards achieving its globally committed target of 175 GW of renewable capacity by 2022. Your Bank has issued three green bonds:

- **February 2015:** Your Bank issued India's first-ever Green Infrastructure Bonds, raising an amount of ₹1000 crore. This 10 year tenor bond witnessed strong demand from leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds.
- **August 2015:** Your Bank raised ₹315 crore through the issue of Green Infrastructure Bonds to International Finance Corporation on a private placement basis which is the first investment by IFC in an Emerging Markets Green Bond issue in the world. The bonds are for a tenor of 10 years. IFC paid for the placement using the proceeds from the first Green Masala Bond program, that aimed at raising capital in the offshore rupee market.
- **December 2016:** Your Bank has raised ₹330 crore, through an issue of a 7-year Green Infrastructure Bonds to FMO, the Dutch Development Bank, on a private placement basis. This is FMO's first Investment in a Green Bond issued by a bank in India. FMO has paid for placement using the proceeds from their sustainability bonds issued in 2015.

The amount raised is used to finance green infrastructure projects as per 'Eligible Projects' outlined in the Bank's internal guidelines that were put in place in adherence to Green Bond Principles by international capital market association. KPMG, India has provided assurance on the internal tracking method and the allocation of funds of green bonds for FY 2017-18.

GREEN BOND PRINCIPLES (GBP)

The Green Bond Principles are voluntary process guidelines intended for broad use by the market that recommend transparency and disclosure, and promote integrity in the development of the Green Bond market. The GBP has the following four key components that your Bank has adopted:

- **Use of Proceeds:** The proceeds raised are used in eligible project categories and include all projects funded in whole, or in part, in the fields of renewable and clean energy projects including Wind, Solar, Biomass, Hydropower and other such projects.
- **Process for Evaluation and Selection of Eligible Projects:** The process includes interactions with potential borrowers to understand the overall aspects of the project and a preliminary comparison against the eligibility criteria. Post preliminary consideration, based on the merits of the project, the evaluation moves to the risk team which assesses it and confirms the eligibility of the project. Further documentation is sought as per the Bank's policies and GBP.
- **Management of Proceeds:** Green Bond allocations to eligible projects are tracked through an MIS based asset tagging system on a quarterly basis. The unallocated proceeds, if any, are placed in liquid instruments (Government Securities) on a quarterly basis.
- **Reporting:** Communication to investors through an annual update includes:
  - List of projects to which Green Bond proceeds have been allocated to with brief description including amounts disbursed and installed capacity
  - Summary of Environmental and Social (E&S) impacts associated with these projects, if any
  - Information on investment of unallocated proceeds in liquid instruments

IMPACTS

The proceeds of the green bonds have been utilized in augmenting solar and wind energy capacities, with a significant impact of avoidance of emissions of CO_2, SO_2 and NOx apart from other air pollutants associated with energy generation. Estimated CO_2 emission reductions are shared along with project details. Through financing solar and wind power plants, these bonds contribute to a positive environmental impact and also strengthen India's energy security by reducing fossil fuel dependency.

List of projects against which green bonds proceeds have been allocated as on March 31, 2018 is provided below:

Proceeds Utilization Against Bond Issuance Size of ₹1,000 crore (February 2015)

Sr. No.	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on March 31, 2018)	Estimated** positive E&S impacts - CO_2 Emissions Reduction (tCO_2 / yr)	Known significant negative E&S Impacts
1	Madhya Pradesh	12 MW wind energy project	42.74	21,410.66	None
2	Telangana	15 MW solar energy project	9.66	26,953.59	None
3	Telangana	15 MW solar energy project	9.66	26,953.59	None
4	Andhra Pradesh	10 MW solar energy project	1.24	17,241.84	None
5	Maharashtra	31.5 MW wind energy project	130.54	66,324.86	None
6	Karnataka	50 MW solar energy project	20.70	94,073.31	None
7	Telangana	143 MW solar energy project	142.48	2,49,460.44	None
8	Telangana	42 MW solar energy project	84.79	83,070.33	None
9	Andhra Pradesh & Rajasthan	155.4 MW wind energy project	239.70	3,57,426.16	None
10	Karnataka	40 MW solar energy project	115.00	86,555.90	None
11	Madhya Pradesh	250 MW solar energy project	1.00	4,92,140.83	None
12	Karnataka	46.2 MW wind energy project	2.91	1,11,340.52	None
13	Karnataka	40 MW solar energy project	23.00	64,265.81	None
			823.42*	**16,97,217.84**	

Proceeds Utilization Against Bond Issuance Size of ₹315 crore (August 2015)

Sr. No.	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on March 31, 2018)	Estimated** positive E&S impacts - CO_2 Emissions Reduction (tCO_2 / yr)	Known significant negative E&S Impacts
1	Andhra Pradesh	100 MW wind energy project	214.62	2,26,621.55	None
2	Telangana	30 MW solar energy project	1.85	59,335.95	None
3	Telangana	5 MW solar energy project	6.53	7,610.43	None
			223.00*	**2,93,567.93**	

Proceeds Utilization Against Bond Issuance Size of ₹330 crore (December 2016)

Sr. No.	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on March 31, 2018)	Estimated** positive E&S impacts - CO_2 Emissions Reduction (tCO_2 / yr)	Known significant negative E&S Impacts
1	Telangana	20 MW solar project	100.13	42,719.85	None
2	Gujarat	30 MW wind energy project	142.00	69,001.19	None
3	Telangana	50 MW solar energy project	9.14	86,420.61	None
4	Telangana	10 MW solar energy project	50.27	21,359.93	None
5	Rajasthan	50 MW solar energy project	15.45	98,893.25	None
6	Telangana	10 MW solar energy project	13.01	21,359.93	None
			330.00	**3,39,754.76**	
Total CO_2 Emissions Reduction (tCO_2 / yr)				**23,30,540.53**	

** The shortfall (of ₹176.58 crore and ₹92 crore in allocation of proceeds of ₹1000 crore bond issued in February 2015 and ₹315 crore bond issued in August 2015 respectively) is due to the repayment of disbursement. The temporary unallocated proceeds have been invested in Government Securities and will be allocated back to new eligible projects.*

***The total CO_2 emission reduction for individual projects have been calculated based on methodology outlined in the document 'CO_2 Baseline Database for the Indian Power Sector User Guide Version 12.0 May 2017' along with other relevant factors such as project PLF/ CUF estimates, installed project capacity, resultant annual unit generation etc.*

STATUTORY DISCLOSURES

The disclosures required to be made under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on the conservation of energy, technology absorption and Foreign exchange earnings and outgo are given as under:

(A) CONSERVATION OF ENERGY

- **Environmental stewardship in the financial sector – ISO 14001:2015 Environmental Management System (EMS) certification for the Bank embarked on the 5th year**

  Your Bank, since inception, has embedded concept of Natural Capital as one of its core values. The Bank has one of the largest Renewable Energy lending portfolios among private sector banks, and is the first Indian bank to be ISO 14001 certified for Environmental Management System and was the first Bank globally to migrate to the latest ISO 14001:2015 version of the standard in 2017 is the first Indian signatory to the Natural Capital Finance Alliance, is recognized as a Climate Disclosure Leader, and drives environmental sustainability initiatives as its CSR focus.

  In line with its commitment to achieve internal natural resource consumption efficiencies and minimizing its carbon footprint, your Bank completed phase V of the certification in the reporting period and has 744 locations, including 688 metro-urban branches, 50 rural branches, 4 corporate offices and YES Securities certified as per ISO 14001:2015 standard, the highest number for certified facilities for any BFSI organization in India.

  The Bank's Environmental Management Policy, revised in 2016, outlines the Bank's commitment to achieve a 10% reduction in its carbon emissions intensity annually through organization-wide environment management initiatives and employee engagement.

  With digitization as a key focus area, your Bank's environment management policy highlights stronger commitment to environment protection and commitment to source renewable energy for greening the Bank's operation with strategic objectives to –

  - Improve key resource efficiency, such as usage of electricity, fossil fuel, paper and water with Digitization of processes
  - Conserve natural resources by adopting the '3-R' (reduce, reuse and recycle) approach towards prevention of pollution and disposal of waste, especially electronic waste, in line with regulatory requirements or industry best practices
  - Explore renewable energy sourcing for greening the Bank's operations and adopt green building principles
  - Set, monitor and review the overall Environmental Management System (EMS) objectives and targets on an ongoing basis towards achieving continuous improvement in environmental performance on digital platform 'Resustain'
  - Promote 'green procurement' to influence strategic suppliers sustainable sourcing of product and services
  - Integrate energy and environmental considerations in the design of new infrastructural facilities

Your Bank has undertaken environmental mitigation initiatives by aggressive awareness creation around electricity, paper, water and diesel conservation in day-to-day activities through Bank-wide circulation of resource conservation mailers, signage and posters. Periodical trainings on Environmental Management System through comprehensive e-learning module, workshops, and involvement of employees in idea generation and implementation is ensured.

I. THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

- The Bank has been migrating to LED lighting in phases. As on March 31, 2018, 4,403 LED lights have been installed at 66 new branch locations and 2 corporate locations with an investment of ₹51.22 lakh, with a potential saving of 3,19,217.5 kwh of energy consumption and ₹31.8 lakh in monetary savings annually
- Similarly power factors at branches are being monitored above 0.9 with the help of capacitor bank and monitoring panels are installed and reduce risk of penalty levied by DISCOMs
- The Bank is in the process of phasing out air-conditioning systems that use ozone depleting coolants, and in the current reporting cycle, the Bank initiated replacement of all air conditioners that are more than 10 years old, with systems that use eco-friendly coolants
- The air conditioning replacement model has been developed with a criteria for replacing old models with an energy consumption of 1.6 – 1.8 times of peak load and temperature control with dedicated AHU units for centralized AC systems
- Retrofit solutions for HVAC systems which have a potential saving of 10% to 15% would be incorporating in a phased manner over a 2

year period. Maintaining AC temperature above 25^0 Celsius at all times has helped the Bank to achieve 3% saving of hourly kwh consumptions

- 100% of YES BANK branches are issued Petro cards for procurement of diesel, which has resulted into enhanced transparency, reduced wastages and cost saving of 2% over last financial year
- YES BANK's energy management initiatives aim at reducing 15-20% energy consumption by 2020 from sustainable facility management

II. THE STEPS TAKEN BY THE BANK FOR UTILIZING ALTERNATE SOURCES OF ENERGY

Your Bank has explored the potential of using alternate sources of energy through open access and your Bank would continue to explore alternative sources of energy in future.

III. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

₹3.45 crore upto present financial year (AC retrofitting, LED Tube lights and signages project at corporate offices and branch locations)

(B) TECHNOLOGY ABSORPTION

(I) THE EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

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

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

The vision of the Business & Digital Technology Solutions Group (BDTS) at your Bank remains the same 'To make life simpler for our customers and colleagues'. Working on its strategy which is broken into two parts i.e. 'Run the Bank' to continue work on Initiatives which are needed to keep the banks operations running effectively and 'Build The Bank' BDTS keeps a laser-sharp focus on transformation initiatives to meet the Vision of the Group and your Bank. During the current FY, many new initiatives were completed successfully as well as systems were upgraded to latest versions to support the growing needs of your Bank. Few of the key projects which were Bank-wide during the year are listed below:

- YES asap! – Mobile App
- Chatbot
- ROBOTICS CoE including Robotics Process Automations (RPA)
- PI-CONTROL™ Platform
- YES ROBOT – AI Enabled Banking Assistant
- Debit Card and ATM System Upgrade
- YESFXOnline (Credence) – Direct Customer Dealing (DCD) Module
- YES MSME Mobile App – on iOS and Android platforms
- Enhanced Wealth Management System (WMS)
- 'Samsung Pay' for YES BANK Credit Cards
- Unified Customer Experience Portal (UCXP)
- Hadoop – Analytical Campaign Application
- Hadoop – Merchant Funded Discounts
- Sales Portfolio Management System
- GEM e-PBG Module (Government e-Marketplace)
- Newgen Platform
- Notiva Application
- Puratech channel finance
- CRIF Highmark – Connect Tool for Retail Assets for CIBIL reporting
- RESUSTAIN (A Digital Platform for Environmental and CSR Reporting)
- New Application on ISB; Ganaseva for catering to JLG
- Y-COLORS (Yes Corporate Loan Originating System)
- Bharat Bill Payment System (Customer Operating Unit)
- Kaizala implementation for YES BANK Employees (Enterprise Commutation)

For more details on Information Technology and its key initiatives, please refer to the Management Discussion and Analysis section of this Annual Report.

(II) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

Technology has responded by being true strategic partner of Business. Many first mover implementations have provided business, long lasting advantages and have also won many accolades and awards for the Bank. For instance, first Industry initiative Merchant Funded Offer Program with key USPs like Analytical driven personalized offers for customer basis their profile, Real-time analytical tracking of transactions and communication (SMS and Push Notification) to customers about the Cashback eligibility, Completely automated process right from tracking transactions to settlement.

Innovations like YES ROBOT, Chatbot integration with YES PAY Mobile Wallet, YES asap! – Mobile App enabling account opening of Individual Savings Accounts (SA), RESUSTAIN; A Digital Platform for Environmental and CSR Reporting, 'Samsung Pay' for YES BANK Credit Cards 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 & social media and continues to invest in best-in-class IT systems and practices, and 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)

Details of Technology Imported	Year of Import	Whether the Technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Software Tokens for Net Banking, Implementation fees and delivery of Branded Software Tokens	Aug-14	Yes	NA
Enabling Radius licenses for 10,000 concurrent users (SMS/Email, OATH, software tokens) on existing setup	Sep-15	Yes	NA
Master Data Management licenses	Nov-15	Yes	NA
Cisco WanStack for Branch WAN Architecture Revamp	Dec-16	Yes	NA
Up gradation of Murex 2.11 to Murex 3.1	Apr-17	Yes	NA
Cisco CUCM	Dec-17	Yes	NA

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

During the year ended March 31, 2018 your Bank earned ₹10,307.25 million and spent ₹7,865.59 million in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

As a responsible organization, your Bank strives to foster a safe and respectful work environment. The Bank has Zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women executive working in the Bank. The

Policy regarding Prevention & Prohibition of Sexual Harassment at Workplace provides for protection against sexual harassment of women at workplace and for prevention and redressal of complaints. Also, in its endeavour to spread awareness on the aforementioned policy and ensure compliance by all the executives, the Bank has implemented a plan of action to disseminate the information and train the executives on the policy under the ambit of 'Gender Respect and Commitment to Equality' (GRACE) program.

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	3
Number of complaints filed during the financial year	9
Number of complaints pending as on the end of the financial year	1

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit of the Bank for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors, had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

Your Directors take this opportunity to express their deep and sincere gratitude to the customers of the Bank for their confidence and patronage, as well as to the Reserve Bank of India, Securities and Exchange Board of India, Government of India, and other Regulatory Authorities for their cooperation, support and guidance. Your Directors would like to express a deep sense of appreciation for the commitment shown by the employees in supporting the Bank in its continued robust performance on all fronts. The Bank has been following the A.R.T. – Alliances, Relationships and Technology led approach to Banking. Taking the approach further, your Bank is embracing 'Future: Now' by bringing the future to the present through various process, product & service innovations, thereby, fast forwarding the Bank into the future. In line with this philosophy, the Directors would also like to thank all our valued partners, vendors and stakeholders who have played a significant role in the continued Business Excellence achieved by the Bank. Your Directors would also like to thank the employees for their continued support as the Bank evolves as the 'Professionals' Bank of India' with a vision of 'BUILDING THE FINEST QUALITY LARGE BANK OF THE WORLD IN INDIA'.

For and on behalf of the Board of Directors

Rana Kapoor
Managing Director & CEO
(DIN No. 00320702)

Ashok Chawla
Non-Executive
(Independent) Chairman
(DIN No. 00056133)

Place: Mumbai
Date: April 26, 2018

ANNEXURE 1

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FINANCIAL YEAR 2017-18

A brief outline of the Bank's CSR policy, including overview of projects or programs proposed to be undertaken:

YES BANK'S CSR POLICY:

Through its Responsible Banking ethos, YES BANK has created stakeholder value by implementing projects based on unique models with scalable and sustainable impact. Guided by its Corporate Social Responsibility ('CSR') Policy, the Bank has delivered internal and external positive socio-environmental impact by following a unique approach.

APPROACH TOWARDS CSR:

- **Promote** principles of social responsibility and inclusive growth through awareness and support.
- **Invest** in socially and environmentally responsible activities to create positive impact.
- **Engage** with stakeholders to further the sustainability agenda of the Bank and empower with knowledge.
- **Collaborate** with likeminded institutions and forge partnerships towards addressing the needs of the stakeholders.
- **Monitor** the environmental and social investment of YES BANK Limited through structured governance and transparent performance indicators.

YOUR BANK'S FOCUS AREAS UNDER CSR:

1. Livelihood security and enhancement
   (a) Education
   (b) Skills/Employability training
2. Healthcare and Social welfare
3. Environment Sustainability
4. Arts/Sports and culture

OVERVIEW OF ACTIVITIES:

In line with the CSR Policy and in accordance with the provisions of Schedule VII of the Companies Act, 2013, your Bank undertook unique initiatives during the year which positively impacted lives. The initiatives for Financial Year 2017-18 focused on scaling up projects that were launched over the last three years with an objective to deliver on exponential impact and creating sustainable CSR models. The key initiatives undertaken during the year:

- Access to safe and clean drinking water
- Environmental conservation
- Skill building and entrepreneurship
- Livelihood enhancement
- Awareness and educating communities on environmental and social topics of national importance

WEB-LINK TO THE CSR POLICY:

https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy

COMPOSITION OF CSR COMMITTEE:

Your Bank recognizes its responsibility towards the society and environment in which it operates and accordingly has worked towards CSR and Sustainable Development focusing on the 'Triple Bottom line' ethos since its inception. Your Bank's Corporate Social Responsibility Committee monitors the CSR activities on a periodic basis.

Members of the CSR Committee as on March 31, 2018:

1. Mr. Ashok Chawla, Chairman (Independent Director)
2. Mr. Brahm Dutt (Independent Director)
3. Mr. Rana Kapoor (Managing Director & CEO)

AVERAGE NET PROFIT BEFORE TAX OF THE BANK FOR LAST THREE FINANCIAL YEARS:

₹3,861 crore

PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS ABOVE)

₹77.22 crore

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

(a) Total amount to be spent for the Financial Year 2017-18: ₹77.22 crore
The Bank has spent ₹45.21 crore during Financial Year 2017-18

(b) Amount unspent, if any: ₹32.01 crore

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative Expenditure up to the Reporting Period	Amount spent: Direct or through implementing agency
1	YES COMMUNITY	• Promoting education • Livelihood enhancement • Promoting preventive healthcare • Ensuring environment sustainability	Pan India	10 crore	7.31 crore	23.59 crore	Direct
2	Livelihood and Water Security	• Making available safe drinking water • Livelihood enhancement	Delhi/ NCR, Goa, Gujarat, Karnataka, Madhya Pradesh, Maharashtra	20 crore	11.27 crore	34.61 crore	Direct Ammada Trust YES Foundation
3	Say YES to Sustainable MSMEs in India	• Ensuring environment sustainability • Promoting preventive healthcare • Promoting education	Andhra Pradesh, Chandigarh, Delhi/ NCR, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, West Bengal	10 crore	4.7 crore	10.39 crore	Direct Foundation for MSME Clusters (FMC) Entrepreneurship Development Institute of India (EDII)
4	YES STEADY (Skills Training and Enhancement for Development of Youth)	• Promoting education • Livelihood enhancement	Pan India	12 crore	4.12 crore	14.74 crore	Direct Deshpande Foundation
5	Natural Capital Initiatives	• Ensuring environment sustainability • Promoting education	Pan India	8 crore	3.95 crore	6.02 crore	Direct
6	Support to YES Foundation	• Promoting education	Pan India	15 crore	11.72 crore	36.56 crore	YES Foundation
7	Expenditure on administrative overheads				2.14 crore	6.19 crore	
				TOTAL	**45.21 crore**	**132.1 crore**	

REASONS FOR NOT SPENDING PRESCRIBED CSR EXPENDITURE:

Your Bank with its deep focus on positively impacting society and environment, continued to scale up its footprint on socio-environmental issues of national importance like water security, education, livelihood enhancement, financial literacy and environmental sustainability.

Under its flagship Corporate Social Responsibility ('CSR') program on 'Access to safe and clean drinking water', it touched more than 1 lakh lives per day, across 405 railway stations and community centres, creating a multiplier positive impact on health, education and livelihoods. Since the start of this project in Financial Year 2015-16, in partnership with Indian Railways and local NGOs, the Bank has touched nearly 8 crore lives. The MSME sector which is a critical contributor to the Indian economy, was supported by your Bank, by engaging with 18,544 MSMEs on energy efficiency, financial literacy, & occupational health and safety, thereby feeding into India's larger sustainable development goals and transiting towards a low carbon economy. Under YES Community, the Bank delivered on exponential impact by educating 32 lakh participants on financial literacy, Swachh Bharat, road safety, energy conservation and creation of a carbon sink through tree plantation.

In Financial Year 2017-18, the Bank had budgeted to spend ₹77.22 crore *(2% of the average net profits made during the 3 preceding financial years, i.e. 2014-15, 2015-16 and 2016-17)* on livelihood and water security, environmental sustainability and, arts and culture, under its CSR activities. Its actual spend was ₹45.21 crore (1.17%); an increase of 8.5% over last year's spend of ₹41.66 crore in Financial Year 2016-17. The lower spend *vis-à-vis* the budget was mainly on the account of natural calamities like cyclone Ockhi in project areas, lack of ability of implementation partners to get timely approvals for infrastructure setup and multi-year nature of certain projects. Investment of significant time and resources to consolidate its projects under reliable implementation partners, has also resulted in prudent fund allocation through the year. This has ensured maximum impact, transparency and good governance.

As a public trust institution, your Bank exercises discretion in undertaking and investing in projects that are unique, scalable and sustainable, with a large focus on on-ground impact. Your Bank has been mindfully focusing on climate action through lending, investing and raising capital towards mitigation, adaptation and resilience, through innovative mechanisms thus meeting its larger objective of social & environmental impact. It continued to serve the broader community through livelihood enhancement programs, financial inclusion with migrants and investing in large scale projects on sustainable energy, which are beyond the ambit of the definition of CSR under the Companies Act, 2013.

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

Rana Kapoor
Managing Director & CEO
(DIN No. 00320702)

Ashok Chawla
Chairman – CSR Committee
(DIN No. 00056133)

ANNEXURE 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2018

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

To,
The Members,
YES BANK Limited
9th Floor, Nehru Centre, Discovery of India,
Dr. Annie Besant Road, Worli, Mumbai - 400018

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **YES BANK Limited** (hereinafter called the 'Bank') for the audit period covering the financial year ended on March 31, 2018 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate actions and practices/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2018, 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, 2018 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act')**: -
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
   (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
5. The following other laws as applicable specifically to the Bank:
   (a) Banking Regulation Act 1949 and Notifications and Circulars issued by the Reserve Bank of India **('RBI')** from time to time **('BR Act')**;
   (b) Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992;
   (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
   (d) Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India related to the Board meetings and General Meetings.

During the audit period, the Bank has complied with the provisions of the Act, Rules, Regulations, Standards and Circulars as mentioned above.

During the period under review, provisions of the following Act/ Regulations though specified in the format of Form No. MR-3, were not applicable to the Bank:

1. The following Regulations and Guidelines prescribed under the SEBI Act:-

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

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

We further report that -

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, SEBI LODR and BR Act.

Adequate notice is given to all 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, including the resolutions approved through circulations, were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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

We further report that during the audit period, the Bank has:

1. Sub-Divided its existing equity shares from every 1 (one) equity share of face value of ₹10 each fully paid up into 5 (five) equity shares of face value of ₹2 each fully paid up, with effect from September 22, 2017.
2. Issued and allotted 15,40,740 equity share of face value ₹10 each and 1,28,34,480 equity share of face value of ₹2 each (Post sub-division of equity shares) upon exercise of options by its eligible employees under its various ESOPs schemes/plans.
3. Pursuant to the approvals granted by its members at the 13th Annual General Meeting held on June 06, 2017, issued Debt Securities by raising funds in Indian Currency of ₹12,415 crore to eligible investors through Private Placement and raised USD 600 million by issuance of bond in the international debt markets under its USD 1 billion Medium Term Note Programme through Bank's International Financial Services Centre at GIFT City, Gujarat, out of the total borrowing limit of ₹20,000 crore.
4. Issued and allotted 3.27 crore equity shares at a price of ₹1500 per share under Qualified Institutional placement aggregating to ₹4,906.65 crore (USD 750 million) as on March 31, 2017 which were listed during FY 2017-18.
5. Raised USD 400 million through Bank's International Financial Services Centre at GIFT City, Gujarat, under two syndicated loan transactions in Taiwan and Japan dated November 21, 2017.
6. Redeemed following Debt instruments in terms of the Information memorandum and approval granted by the RBI:

Date of Redemption	Nature of the Instrument	Amount Redeemed (in ₹ crore)	Purpose
April 20, 2017	Upper Tier II Bonds	2.00	Redemption on exercise of Call Option
April 29, 2017	Subordinated Tier II Bonds	10.00	Redemption on maturity
May 07, 2017	Subordinated Tier II Bonds	36.80	Redemption on maturity
May 30, 2017	Subordinated Tier II Bonds	7.10	Redemption on maturity
June 12, 2017	Subordinated Tier II Bonds	1.00	Redemption on maturity
Sept. 29, 2017	Upper Tier II Bonds	182.00	Redemption on exercise of Call Option
Nov. 08, 2017	Upper Tier II Bonds	10.00	Redemption on exercise of Call Option

7. Received an order dated October 23, 2017 from RBI imposing penalty of ₹6 crore on the Bank for non-compliance with directions issued by RBI on two counts viz., Income Recognition Asset Classification norms and delayed reporting of information security incident involving ATMs of the Bank.

8. Acquired more than 5% stake in One Point One Solutions Limited ('OPOSL'). The Bank has received the confirmation of allotment of 9,40,000 equity shares having face value of ₹10 each under the Anchor Investor Portion to the Initial Public Offering ('IPO') of OPOSL, which is equivalent to 5.62% of the post IPO paid up capital of OPOSL in December 2017.

9. Acquired 8,97,81,906 equity shares, constituting 17.31% of the paid up share capital, having nominal value of ₹10 per share of Fortis Healthcare Limited ('FHL'), pursuant to invocation of pledge on the said equity shares subsequent to default by promoter group companies in the credit facility provided by the Bank on February 16, 2018. The Bank sold 1,12,39,035 equity shares having nominal value of ₹10 each, constituting 2.17% of the paid up share capital of FHL, in various tranches last being on March 15, 2018, resulting into changes in holding of the Bank by more than 2% of the total shareholding of FHL, from the last disclosure made by the Bank on March 13, 2018.

For **BNP & Associates**
Company Secretaries

Prakash K. Pandya
Partner
FCS 3901 /CP No. 2311

Place: Mumbai
Date: April 26, 2018

ANNEXURE I TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

To,
The Members,
YES BANK Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to YES BANK Limited (the 'Bank') is the responsibility of the management of the Bank. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Bank. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Bank, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **BNP & Associates**
Company Secretaries

Prakash K. Pandya
Partner
FCS 3901 /CP No. 2311

Place: Mumbai
Date: April 26, 2018

ANNEXURE 3

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-Section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2018:

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	79.04x
		Ashok Chawla	4.43x
II	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	MD & CEO	-22.1%*
		CFO(GN1)	13.4%
		CS	7.5%
		Ashok Chawla	0.0%**
		* Remuneration for FY 2017-18 is pending final approval by RBI. **There is no change in remuneration; hence percentage increase is '0'.	
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 12.6%. 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 **18,238** employees as on **March 31, 2018**	
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable to the Bank, as all the employees are considered under Managerial role.	
XII	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

General Notes (GN):

(1)
- Remuneration in case of MD & CEO is regulated by RBI guidelines.
- In case of the CFO (Mr. Rajat Monga), he has been also responsible for Digital Banking; Financial Management; Financial Markets; Liabilities Product Management; Business and Digital Technology Solutions Group; Retail Trade And Fx Sales Management and Transaction Banking Group. 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.

(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, 2018

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	L65190MH2003PLC143249
(ii)	Registration Date	:	21/11/2003
(iii)	Name of the Company	:	YES BANK Limited
(iv)	Category/Sub-Category of the Company	:	Public Company
(v)	Address of the Registered office and contact details	:	9th Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018. Tel: 022 6669 9000
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any **A. For Equity Shares**	:	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Board No.: 040 67161559 Contact Persons: Ms. Shobha Anand/Mr. Sridhar Balamurli E-mail: einward.ris@karvy.com
(viii)	**B. For Bonds/Debentures**		Link Intime India Pvt. Ltd. Add. - C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 4918 6000 Fax: +91 22 4918 6060 Contact Person: Mr. Ganesh Jadhav/Mr. Vinayak Bendal, E-mail: mumbai@linkintime.co.in

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%

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)
2	YES Asset Management (India) Limited	U65990MH2017PLC294178	Subsidiary	100%	2(87)
3	YES Trustee Limited	U65999MH2017PLC294613	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 01, 2017 i.e. on the basis of SHP of March 31, 2017)				No. of Shares held at the end of the year (as on March 31, 2018 i.e. on the basis of SHP of March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER /PROMOTER GROUP									
(1) INDIAN									
a) Individual / HUF	55,125,000	0	55,125,000	12.08	275,625,000	0	275,625,000	11.97	-0.11
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	8.11	185,087,250	0	185,087,250	8.04	-0.07
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**	**20.19**	**460,712,250**	**0**	**460,712,250**	**20.01**	**-0.18**
(2) FOREIGN									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter/Promoter Group (A) = (A)(1)+(A)(2)	**92,142,450**	**0**	**92,142,450**	**20.19**	**460,712,250**	**0**	**460,712,250**	**20.01**	**-0.18**
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
a) Mutual Funds	47,763,989	0	47,763,989	10.46	237,002,381	0	237,002,381	10.29	-0.17
b) Banks / FI	334,969	0	334,969	0.07	5,192,880	0	5,192,880	0.23	0.16
c) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	58,094,774	0	58,094,774	12.73	326,749,251	0	326,749,251	14.19	1.46
g) FIIs	212,958,407	0	212,958,407	46.65	981,618,268	0	981,618,268	42.62	-4.03
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify – Qualified Foreign Investor) – Alternative Investment Fund	211,585	0	211,585	0.05	1,934,220	0	1,934,220	0.08	0.03
Sub-total (B)(1):	**319,363,724**	**0**	**319,363,724**	**69.96**	**1,552,497,000**	**0**	**1,552,497,000**	**67.41**	**-2.55**

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 01, 2017 i.e. on the basis of SHP of March 31, 2017)				No. of Shares held at the end of the year (as on March 31, 2018 i.e. on the basis of SHP of March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	4,005,013	0	4,005,013	0.88	51,034,411	0	51,034,411	2.22	1.34
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	22,312,238	23,271	22,335,509	4.89	142,089,827	113,205	142,203,032	6.17	1.28
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	12,908,017	0	12,908,017	2.83	67,303,647	0	67,303,647	2.92	0.09
c) Others (Foreign Nationals, HUF, Clearing members, NRIs, Trusts, NBFC)	5,731,100	0	5,731,100	1.26	29,216,905	0	29,216,905	1.27	0.01
Sub-total (B)(2):	**44,956,368**	**23,271**	**44,979,639**	**9.85**	**289,644,790**	**113,205**	**289,757,995**	**12.57**	**2.72**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**364,320,092**	**23,271**	**364,343,363**	**79.81**	**1,842,141,790**	**113,205**	**1,842,254,995**	**79.98**	**0.17**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**456,462,542**	**23,271**	**456,485,813**	**100**	**2,302,854,040**	**113,205**	**2,302,967,245**	**100**	**0**

II) SHAREHOLDING OF PROMOTER / PROMOTER GROUP

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 01, 2017 i.e. on the basis of SHP of March 31, 2017)			Share holding at the end of the year (as on March 31, 2018 i.e. on the basis of SHP of March 31, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the Bank	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Bank	%of Shares Pledged / encumbered to total shares	
1(a)	Rana Kapoor	20,000,000	4.38	0.00	100,000,000	4.34	0.00	-0.04
1(b)	Yes Capital (India) Private Limited	15,125,000	3.31	0.00	75,625,000	3.28	0.00	-0.03
1(c)	Morgan Credits Private Limited	14,050,000	3.08	0.00	70,250,000	3.05	0.00	-0.03
2(a)	Madhu Kapur	35,125,000	7.69	0.73	175,625,000	7.63	0.72	-0.06
2(b)	Mags Finvest Private Ltd.	7,842,450	1.72	0.00	39,212,250	1.70	0.00	-0.02
	Total	**92,142,450**	**20.19**	**0.73**	**460,712,250**	**20.01**	**0.72**	**-0.18**

The term 'encumbrance' has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

III) CHANGE IN PROMOTER /PROMOTER GROUP SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sr. No.		Shareholding at the beginning of the year (as on April 01, 2017 i.e. on the basis of SHP of March 31, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Bank	No. of shares	% of total shares of the Bank
	At the beginning of the year		No Change*		
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):		No Change		
	At the End of the year		No Change*		

** The shareholding of Promoter/Promoter Group has not changed in absolute numbers. The variation in terms of percentage is due to increase in paid up share capital of the Bank on account of allotment of shares pursuant to exercise of options under the ESOP scheme(s) during the year ended March 31, 2018. The number of shares have increased due to sub-division of shares of the Bank w.e.f. September 22, 2017.*

IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
1	LIC OF INDIA ALONG WITH ITS VARIOUS SCHEMES	38,042,946	8.33	31/03/2017			38,042,946	8.33
				29/09/2017	152,171,784	Transfer	190,214,730	8.31
				29/12/2017	1,155,655	Transfer	191,370,385	8.33
				05/01/2018	4,351,766	Transfer	195,722,151	8.51
				12/01/2018	642,906	Transfer	196,365,057	8.54
				12/01/2018	-10,000	Transfer	196,355,057	8.54
				26/01/2018	171,000	Transfer	196,526,057	8.55
				02/02/2018	3,437,360	Transfer	199,963,417	8.69
				09/02/2018	7,382,941	Transfer	207,346,358	9.01
				16/02/2018	494,699	Transfer	207,841,057	9.03
				23/02/2018	2,094,000	Transfer	209,935,057	9.12
				23/02/2018	-5,000	Transfer	209,930,057	9.12
				02/03/2018	2,590,191	Transfer	212,520,248	9.24
				09/03/2018	4,186,000	Transfer	216,706,248	9.41
				16/03/2018	3,656,729	Transfer	220,362,977	9.57
				23/03/2018	2,550,000	Transfer	222,912,977	9.68
				30/03/2018	30,900	Transfer	222,943,877	9.68
				30/03/2018	-30,900	Transfer	222,912,977	9.68
				31/03/2018			222,912,977	9.68
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	9,232,860	2.02	31/03/2017			9,232,860	2.02
				07/04/2017	7,000	Transfer	9,239,860	2.02
				07/04/2017	-148	Transfer	9,239,712	2.02
				14/04/2017	55,000	Transfer	9,294,712	2.04
				14/04/2017	-39,900	Transfer	9,254,812	2.03
				21/04/2017	35,000	Transfer	9,289,812	2.03
				21/04/2017	-382,000	Transfer	8,907,812	1.95
				28/04/2017	-81,903	Transfer	8,825,909	1.93
				05/05/2017	-56,500	Transfer	8,769,409	1.92
				12/05/2017	8,400	Transfer	8,777,809	1.92
				19/05/2017	285,800	Transfer	9,063,609	1.98
				26/05/2017	670,150	Transfer	9,733,759	2.13
				26/05/2017	-2,407	Transfer	9,731,352	2.13
				02/06/2017	1,310	Transfer	9,732,662	2.13
				02/06/2017	-51,400	Transfer	9,681,262	2.12
				09/06/2017	10,000	Transfer	9,691,262	2.12
				09/06/2017	-3,150	Transfer	9,688,112	2.12
				16/06/2017	105,250	Transfer	9,793,362	2.14
				23/06/2017	2,800	Transfer	9,796,162	2.14
				07/07/2017	-59,400	Transfer	9,736,762	2.13
				14/07/2017	-2,450	Transfer	9,734,312	2.13

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				21/07/2017	25,000	Transfer	9,759,312	2.13
				21/07/2017	-110,550	Transfer	9,648,762	2.11
				28/07/2017	15,000	Transfer	9,663,762	2.11
				28/07/2017	-131,550	Transfer	9,532,212	2.08
				04/08/2017	223,434	Transfer	9,755,646	2.13
				04/08/2017	-2,441	Transfer	9,753,205	2.13
				11/08/2017	72,800	Transfer	9,826,005	2.15
				11/08/2017	-2,400	Transfer	9,823,605	2.15
				18/08/2017	10,490	Transfer	9,834,095	2.15
				18/08/2017	-125,238	Transfer	9,708,857	2.12
				25/08/2017	100,199	Transfer	9,809,056	2.14
				01/09/2017	69	Transfer	9,809,125	2.14
				01/09/2017	-700	Transfer	9,808,425	2.14
				08/09/2017	-800	Transfer	9,807,625	2.14
				15/09/2017	3,435	Transfer	9,811,060	2.14
				15/09/2017	-3,435	Transfer	9,807,625	2.14
				22/09/2017	-90,000	Transfer	9,717,625	2.12
				29/09/2017	38,870,841	Transfer	48,588,466	2.12
				13/10/2017	-25,000	Transfer	48,563,466	2.12
				20/10/2017	264,250	Transfer	48,827,716	2.13
				27/10/2017	165,750	Transfer	48,993,466	2.14
				31/10/2017	267,750	Transfer	49,261,216	2.15
				31/10/2017	-77,000	Transfer	49,184,216	2.15
				10/11/2017	50,000	Transfer	49,234,216	2.15
				10/11/2017	-161,000	Transfer	49,073,216	2.14
				17/11/2017	179,113	Transfer	49,252,329	2.15
				17/11/2017	-824,000	Transfer	48,428,329	2.11
				24/11/2017	52,500	Transfer	48,480,829	2.11
				24/11/2017	-320,000	Transfer	48,160,829	2.10
				01/12/2017	369,250	Transfer	48,530,079	2.11
				01/12/2017	-1,431	Transfer	48,528,648	2.11
				08/12/2017	143,500	Transfer	48,672,148	2.12
				22/12/2017	6,428	Transfer	48,678,576	2.12
				29/12/2017	250,000	Transfer	48,928,576	2.13
				29/12/2017	-28,000	Transfer	48,900,576	2.13
				12/01/2018	3,882,200	Transfer	52,782,776	2.30
				12/01/2018	-1,733,368	Transfer	51,049,408	2.22
				19/01/2018	150,466	Transfer	51,199,874	2.23
				19/01/2018	-83,094	Transfer	51,116,780	2.22
				26/01/2018	2,515,000	Transfer	53,631,780	2.33
				26/01/2018	-30,000	Transfer	53,601,780	2.33
				02/02/2018	1,631,000	Transfer	55,232,780	2.40
				02/02/2018	-1,512,900	Transfer	53,719,880	2.33
				09/02/2018	115,000	Transfer	53,834,880	2.34
				09/02/2018	-2,997,635	Transfer	50,837,245	2.21
				16/02/2018	920,000	Transfer	51,757,245	2.25

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				23/02/2018	671,250	Transfer	52,428,495	2.28
				02/03/2018	400,233	Transfer	52,828,728	2.30
				02/03/2018	-216,790	Transfer	52,611,938	2.29
				09/03/2018	574	Transfer	52,612,512	2.28
				09/03/2018	-575,750	Transfer	52,036,762	2.26
				16/03/2018	492,031	Transfer	52,528,793	2.28
				16/03/2018	-433,000	Transfer	52,095,793	2.26
				23/03/2018	800,233	Transfer	52,896,026	2.30
				23/03/2018	-307,432	Transfer	52,588,594	2.28
				30/03/2018	300,466	Transfer	52,889,060	2.30
				30/03/2018	-8,284	Transfer	52,880,776	2.30
				31/03/2018			52,880,776	2.30
3	**ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.**	700,899	0.15	31/03/2017			700,899	0.15
				07/04/2017	-50,940	Transfer	649,959	0.14
				14/04/2017	-5,070	Transfer	644,889	0.14
				21/04/2017	-99,463	Transfer	545,426	0.12
				28/04/2017	49,405	Transfer	594,831	0.13
				05/05/2017	55,858	Transfer	650,689	0.14
				12/05/2017	164	Transfer	650,853	0.14
				19/05/2017	-6,513	Transfer	644,340	0.14
				26/05/2017	-61,784	Transfer	582,556	0.13
				02/06/2017	36,471	Transfer	619,027	0.14
				09/06/2017	167,646	Transfer	786,673	0.17
				16/06/2017	8,079	Transfer	794,752	0.17
				23/06/2017	191,135	Transfer	985,887	0.22
				30/06/2017	-109,484	Transfer	876,403	0.19
				07/07/2017	6,538	Transfer	882,941	0.19
				14/07/2017	108,089	Transfer	991,030	0.22
				21/07/2017	486,516	Transfer	1,477,546	0.32
				28/07/2017	526,232	Transfer	2,003,778	0.44
				04/08/2017	119,951	Transfer	2,123,729	0.46
				11/08/2017	2,784	Transfer	2,126,513	0.46
				18/08/2017	397,613	Transfer	2,524,126	0.55
				25/08/2017	355,189	Transfer	2,879,315	0.63
				01/09/2017	133,255	Transfer	3,012,570	0.66
				01/09/2017	-174,374	Transfer	2,838,196	0.62
				08/09/2017	115,264	Transfer	2,953,460	0.64
				15/09/2017	394,955	Transfer	3,348,415	0.73
				22/09/2017	5,620	Transfer	3,354,035	0.73
				29/09/2017	13,449,014	Transfer	16,803,049	0.73
				06/10/2017	982,540	Transfer	17,785,589	0.78
				13/10/2017	1,902	Transfer	17,787,491	0.78
				20/10/2017	92,093	Transfer	17,879,584	0.78
				27/10/2017	4,111,322	Transfer	21,990,906	0.96

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				31/10/2017	-641,893	Transfer	21,349,013	0.93
				03/11/2017	10,721	Transfer	21,359,734	0.93
				10/11/2017	822,684	Transfer	22,182,418	0.97
				17/11/2017	1,143,888	Transfer	23,326,306	1.02
				24/11/2017	358,116	Transfer	23,684,422	1.03
				01/12/2017	1,000,089	Transfer	24,684,511	1.07
				08/12/2017	721,277	Transfer	25,405,788	1.11
				15/12/2017	1,035,954	Transfer	26,441,742	1.15
				22/12/2017	1,022,880	Transfer	27,464,622	1.19
				29/12/2017	3,118,140	Transfer	30,582,762	1.33
				05/01/2018	957,214	Transfer	31,539,976	1.37
				12/01/2018	1,810,668	Transfer	33,350,644	1.45
				19/01/2018	996,123	Transfer	34,346,767	1.49
				19/01/2018	-44,241	Transfer	34,302,526	1.49
				26/01/2018	-5,252	Transfer	34,297,274	1.49
				02/02/2018	396,104	Transfer	34,693,378	1.51
				09/02/2018	2,691,973	Transfer	37,385,351	1.62
				16/02/2018	522,443	Transfer	37,907,794	1.65
				23/02/2018	1,220,835	Transfer	39,128,629	1.70
				02/03/2018	965,088	Transfer	40,093,717	1.74
				09/03/2018	359,303	Transfer	40,453,020	1.76
				16/03/2018	419,631	Transfer	40,872,651	1.78
				23/03/2018	1,778,867	Transfer	42,651,518	1.85
				30/03/2018	3,525,203	Transfer	46,176,721	2.01
				31/03/2018			46,176,721	2.01
4	**FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA**	8,940,795	1.96	31/03/2017			8,940,795	1.96
				07/04/2017	575	Transfer	8,941,370	1.96
				14/04/2017	-4,204	Transfer	8,937,166	1.96
				21/04/2017	-256,421	Transfer	8,680,745	1.90
				28/04/2017	94,200	Transfer	8,774,945	1.92
				28/04/2017	-52	Transfer	8,774,893	1.92
				05/05/2017	-104	Transfer	8,774,789	1.92
				12/05/2017	-52	Transfer	8,774,737	1.92
				19/05/2017	655,000	Transfer	9,429,737	2.06
				19/05/2017	-52	Transfer	9,429,685	2.06
				26/05/2017	166,446	Transfer	9,596,131	2.10
				26/05/2017	-468	Transfer	9,595,663	2.10
				02/06/2017	102,659	Transfer	9,698,322	2.12
				02/06/2017	-50,429	Transfer	9,647,893	2.11
				09/06/2017	-75,984	Transfer	9,571,909	2.09
				23/06/2017	100,000	Transfer	9,671,909	2.11
				23/06/2017	-51	Transfer	9,671,858	2.11
				30/06/2017	86,369	Transfer	9,758,227	2.13

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				30/06/2017	-153	Transfer	9,758,074	2.13
				07/07/2017	631	Transfer	9,758,705	2.13
				07/07/2017	-167	Transfer	9,758,538	2.13
				14/07/2017	-13,965	Transfer	9,744,573	2.13
				28/07/2017	-15,000	Transfer	9,729,573	2.13
				04/08/2017	80,000	Transfer	9,809,573	2.14
				04/08/2017	-32,694	Transfer	9,776,879	2.14
				11/08/2017	-97	Transfer	9,776,782	2.14
				25/08/2017	99	Transfer	9,776,881	2.14
				08/09/2017	-8,896	Transfer	9,767,985	2.13
				15/09/2017	-55	Transfer	9,767,930	2.13
				22/09/2017	-95	Transfer	9,767,835	2.13
				29/09/2017	37,522,076	Transfer	47,289,911	2.06
				06/10/2017	525	Transfer	47,290,436	2.06
				06/10/2017	-1,013,592	Transfer	46,276,844	2.02
				20/10/2017	-558	Transfer	46,276,286	2.02
				27/10/2017	-16,099	Transfer	46,260,187	2.02
				31/10/2017	401,700	Transfer	46,661,887	2.04
				03/11/2017	137	Transfer	46,662,024	2.04
				03/11/2017	-1,199,450	Transfer	45,462,574	1.98
				10/11/2017	-202,856	Transfer	45,259,718	1.97
				22/12/2017	-509,509	Transfer	44,750,209	1.95
				29/12/2017	-454	Transfer	44,749,755	1.95
				05/01/2018	-278,126	Transfer	44,471,629	1.93
				12/01/2018	-400,000	Transfer	44,071,629	1.92
				19/01/2018	-354	Transfer	44,071,275	1.92
				26/01/2018	-695	Transfer	44,070,580	1.92
				02/02/2018	-6,474	Transfer	44,064,106	1.92
				09/02/2018	-442	Transfer	44,063,664	1.92
				23/02/2018	-652,600	Transfer	43,411,064	1.89
				02/03/2018	-1,200,000	Transfer	42,211,064	1.83
				09/03/2018	166,266	Transfer	42,377,330	1.84
				09/03/2018	-144,949	Transfer	42,232,381	1.83
				16/03/2018	-1,603,096	Transfer	40,629,285	1.76
				23/03/2018	-201,902	Transfer	40,427,383	1.76
				30/03/2018	200,000	Transfer	40,627,383	1.76
				30/03/2018	-1,872	Transfer	40,625,511	1.76
				31/03/2018			40,625,511	1.76
5	**FRANKLIN TEMPLETON INVESTMENT FUNDS**	9,026,930	1.98	31/03/2017			9,026,930	1.98
				21/04/2017	-14,605	Transfer	9,012,325	1.97
				19/05/2017	101,638	Transfer	9,113,963	1.99
				09/06/2017	12,238	Transfer	9,126,201	2.00
				29/09/2017	36,504,804	Transfer	45,631,005	1.99
				13/10/2017	-19,461	Transfer	45,611,544	1.99

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				20/10/2017	-539,884	Transfer	45,071,660	1.97
				27/10/2017	-3,544,611	Transfer	41,527,049	1.81
				31/10/2017	-3,299,246	Transfer	38,227,803	1.67
				03/11/2017	-21,570	Transfer	38,206,233	1.67
				10/11/2017	-16,502	Transfer	38,189,731	1.66
				08/12/2017	-800,840	Transfer	37,388,891	1.63
				15/12/2017	-20,000	Transfer	37,368,891	1.63
				22/12/2017	-589,879	Transfer	36,779,012	1.60
				19/01/2018	-959,383	Transfer	35,819,629	1.56
				26/01/2018	47,160	Transfer	35,866,789	1.56
				09/03/2018	-381,304	Transfer	35,485,485	1.54
				23/03/2018	-1,456,821	Transfer	34,028,664	1.48
				31/03/2018			34,028,664	1.48
6	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE**	3,547,500	0.78	31/03/2017			3,547,500	0.78
				07/04/2017	49,595	Transfer	3,597,095	0.79
				21/04/2017	94,209	Transfer	3,691,304	0.81
				28/04/2017	4,550	Transfer	3,695,854	0.81
				05/05/2017	36,400	Transfer	3,732,254	0.82
				12/05/2017	57,880	Transfer	3,790,134	0.83
				19/05/2017	24,570	Transfer	3,814,704	0.83
				02/06/2017	67,629	Transfer	3,882,333	0.85
				23/06/2017	471,326	Transfer	4,353,659	0.95
				30/06/2017	362,002	Transfer	4,715,661	1.03
				07/07/2017	15,925	Transfer	4,731,586	1.03
				14/07/2017	35,513	Transfer	4,767,099	1.04
				21/07/2017	41,447	Transfer	4,808,546	1.05
				28/07/2017	20,470	Transfer	4,829,016	1.06
				04/08/2017	10,010	Transfer	4,839,026	1.06
				11/08/2017	13,195	Transfer	4,852,221	1.06
				25/08/2017	104,134	Transfer	4,956,355	1.08
				01/09/2017	16,380	Transfer	4,972,735	1.09
				08/09/2017	23,205	Transfer	4,995,940	1.09
				15/09/2017	20,930	Transfer	5,016,870	1.10
				29/09/2017	20,067,480	Transfer	25,084,350	1.10
				06/10/2017	68,250	Transfer	25,152,600	1.10
				13/10/2017	70,525	Transfer	25,223,125	1.10
				20/10/2017	52,325	Transfer	25,275,450	1.10
				27/10/2017	47,775	Transfer	25,323,225	1.11
				17/11/2017	218,807	Transfer	25,542,032	1.11
				22/12/2017	1,064,955	Transfer	26,606,987	1.16
				05/01/2018	101,484	Transfer	26,708,471	1.16
				12/01/2018	747,968	Transfer	27,456,439	1.19
				26/01/2018	137,522	Transfer	27,593,961	1.20

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				02/02/2018	122,892	Transfer	27,716,853	1.20
				23/03/2018	27,716,853	Transfer	55,433,706	2.41
				23/03/2018	-27,716,853	Transfer	27,716,853	1.20
				30/03/2018	-143,500	Transfer	27,573,353	1.20
				31/03/2018			27,573,353	1.20
7	**T. ROWE PRICE EMERGING MARKETS STOCK FUND**	2,332,657	0.51	31/03/2017			2,332,657	0.51
				05/05/2017	8,611	Transfer	2,341,268	0.51
				19/05/2017	64,258	Transfer	2,405,526	0.53
				30/06/2017	185,417	Transfer	2,590,943	0.57
				14/07/2017	-13,470	Transfer	2,577,473	0.56
				29/09/2017	10,309,892	Transfer	12,887,365	0.56
				06/10/2017	1,194,162	Transfer	14,081,527	0.61
				27/10/2017	1,094,969	Transfer	15,176,496	0.66
				03/11/2017	1,428,590	Transfer	16,605,086	0.72
				12/01/2018	2,000,000	Transfer	18,605,086	0.81
				26/01/2018	1,176,852	Transfer	19,781,938	0.86
				02/02/2018	825,327	Transfer	20,607,265	0.90
				02/03/2018	1,441,992	Transfer	22,049,257	0.96
				23/03/2018	1,127,849	Transfer	23,177,106	1.01
				31/03/2018			23,177,106	1.01
8	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**	2,960,715	0.65	31/03/2017			2,960,715	0.65
				07/04/2017	82,413	Transfer	3,043,128	0.67
				16/06/2017	51,126	Transfer	3,094,254	0.68
				23/06/2017	537,702	Transfer	3,631,956	0.79
				30/06/2017	23,185	Transfer	3,655,141	0.80
				14/07/2017	30,843	Transfer	3,685,984	0.81
				25/08/2017	18,029	Transfer	3,704,013	0.81
				08/09/2017	18,385	Transfer	3,722,398	0.81
				15/09/2017	41,341	Transfer	3,763,739	0.82
				22/09/2017	205,297	Transfer	3,969,036	0.87
				29/09/2017	15,998,464	Transfer	19,967,500	0.87
				06/10/2017	127,825	Transfer	20,095,325	0.88
				13/10/2017	124,797	Transfer	20,220,122	0.88
				10/11/2017	148,921	Transfer	20,369,043	0.89
				08/12/2017	169,434	Transfer	20,538,477	0.89
				22/12/2017	1,781,231	Transfer	22,319,708	0.97
				16/02/2018	175,433	Transfer	22,495,141	0.98
				02/03/2018	177,260	Transfer	22,672,401	0.99
				16/03/2018	198,403	Transfer	22,870,804	0.99
				23/03/2018	-210,291	Transfer	22,660,513	0.98
				31/03/2018			22,660,513	0.98

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
9	**UTI – SENSEX EXCHANGE TRADED FUND**	4,313,783	0.94	31/03/2017			4,313,783	0.94
				07/04/2017	3,867	Transfer	4,317,650	0.95
				07/04/2017	-32,947	Transfer	4,284,703	0.94
				14/04/2017	6,570	Transfer	4,291,273	0.94
				14/04/2017	-47,000	Transfer	4,244,273	0.93
				21/04/2017	7,155	Transfer	4,251,428	0.93
				21/04/2017	-79,000	Transfer	4,172,428	0.91
				28/04/2017	4,739	Transfer	4,177,167	0.91
				28/04/2017	-27,000	Transfer	4,150,167	0.91
				05/05/2017	3,450	Transfer	4,153,617	0.91
				12/05/2017	1,317	Transfer	4,154,934	0.91
				19/05/2017	4,650	Transfer	4,159,584	0.91
				19/05/2017	-51	Transfer	4,159,533	0.91
				26/05/2017	4,950	Transfer	4,164,483	0.91
				02/06/2017	31,685	Transfer	4,196,168	0.92
				02/06/2017	-25,000	Transfer	4,171,168	0.91
				09/06/2017	4,500	Transfer	4,175,668	0.91
				09/06/2017	-20,000	Transfer	4,155,668	0.91
				16/06/2017	6,226	Transfer	4,161,894	0.91
				16/06/2017	-20,574	Transfer	4,141,320	0.91
				23/06/2017	4,803	Transfer	4,146,123	0.91
				30/06/2017	5,597	Transfer	4,151,720	0.91
				07/07/2017	4,950	Transfer	4,156,670	0.91
				07/07/2017	-30,503	Transfer	4,126,167	0.90
				14/07/2017	5,700	Transfer	4,131,867	0.90
				14/07/2017	-60,990	Transfer	4,070,877	0.89
				21/07/2017	4,543	Transfer	4,075,420	0.89
				21/07/2017	-10,000	Transfer	4,065,420	0.89
				28/07/2017	10,250	Transfer	4,075,670	0.89
				28/07/2017	-40,337	Transfer	4,035,333	0.88
				04/08/2017	10,779	Transfer	4,046,112	0.88
				04/08/2017	-145,000	Transfer	3,901,112	0.85
				11/08/2017	9,450	Transfer	3,910,562	0.85
				11/08/2017	-75,000	Transfer	3,835,562	0.84
				18/08/2017	7,929	Transfer	3,843,491	0.84
				18/08/2017	-20,000	Transfer	3,823,491	0.84
				25/08/2017	13,244	Transfer	3,836,735	0.84
				25/08/2017	-13,000	Transfer	3,823,735	0.84
				01/09/2017	9,281	Transfer	3,833,016	0.84
				01/09/2017	-25,000	Transfer	3,808,016	0.83
				08/09/2017	9,994	Transfer	3,818,010	0.83
				08/09/2017	-13,000	Transfer	3,805,010	0.83
				15/09/2017	5,057	Transfer	3,810,067	0.83
				15/09/2017	-155	Transfer	3,809,912	0.83

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				22/09/2017	11,037	Transfer	3,820,949	0.83
				22/09/2017	-60,000	Transfer	3,760,949	0.82
				29/09/2017	14,980,062	Transfer	18,741,011	0.82
				06/10/2017	52,039	Transfer	18,793,050	0.82
				13/10/2017	129,037	Transfer	18,922,087	0.83
				20/10/2017	93,810	Transfer	19,015,897	0.83
				27/10/2017	23,325	Transfer	19,039,222	0.83
				27/10/2017	-40,000	Transfer	18,999,222	0.83
				31/10/2017	490	Transfer	18,999,712	0.83
				03/11/2017	2,296	Transfer	19,002,008	0.83
				03/11/2017	-1,230	Transfer	19,000,778	0.83
				10/11/2017	7,780	Transfer	19,008,558	0.83
				10/11/2017	-90,000	Transfer	18,918,558	0.82
				17/11/2017	532,615	Transfer	19,451,173	0.85
				24/11/2017	518,770	Transfer	19,969,943	0.87
				01/12/2017	250,766	Transfer	20,220,709	0.88
				08/12/2017	339,080	Transfer	20,559,789	0.89
				15/12/2017	54,512	Transfer	20,614,301	0.90
				22/12/2017	1,040,877	Transfer	21,655,178	0.94
				22/12/2017	-1,355	Transfer	21,653,823	0.94
				29/12/2017	56,500	Transfer	21,710,323	0.94
				05/01/2018	76,694	Transfer	21,787,017	0.95
				12/01/2018	59,334	Transfer	21,846,351	0.95
				12/01/2018	-286	Transfer	21,846,065	0.95
				19/01/2018	53,552	Transfer	21,899,617	0.95
				19/01/2018	-50,000	Transfer	21,849,617	0.95
				26/01/2018	100,656	Transfer	21,950,273	0.95
				26/01/2018	-371,273	Transfer	21,579,000	0.94
				02/02/2018	71,173	Transfer	21,650,173	0.94
				02/02/2018	-200,000	Transfer	21,450,173	0.93
				09/02/2018	104,541	Transfer	21,554,714	0.94
				09/02/2018	-150,000	Transfer	21,404,714	0.93
				16/02/2018	93,157	Transfer	21,497,871	0.93
				23/02/2018	137,886	Transfer	21,635,757	0.94
				02/03/2018	60,921	Transfer	21,696,678	0.94
				09/03/2018	80,352	Transfer	21,777,030	0.95
				16/03/2018	321,696	Transfer	22,098,726	0.96
				23/03/2018	185,092	Transfer	22,283,818	0.97
				30/03/2018	334,225	Transfer	22,618,043	0.98
				31/03/2018			22,618,043	0.98
10	**SBI NIFTY INDEX FUND**	1,795,928	0.39	31/03/2017			1,795,928	0.39
				07/04/2017	106,910	Transfer	1,902,838	0.42
				07/04/2017	-2,680	Transfer	1,900,158	0.42
				14/04/2017	24,813	Transfer	1,924,971	0.42
				21/04/2017	24,445	Transfer	1,949,416	0.43

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				21/04/2017	-28,977	Transfer	1,920,439	0.42
				28/04/2017	214,615	Transfer	2,135,054	0.47
				05/05/2017	15,332	Transfer	2,150,386	0.47
				12/05/2017	14,542	Transfer	2,164,928	0.47
				12/05/2017	-553	Transfer	2,164,375	0.47
				19/05/2017	59,531	Transfer	2,223,906	0.49
				19/05/2017	-1,133	Transfer	2,222,773	0.49
				26/05/2017	76,738	Transfer	2,299,511	0.50
				26/05/2017	-1,338	Transfer	2,298,173	0.50
				02/06/2017	6,046	Transfer	2,304,219	0.50
				02/06/2017	-4,192	Transfer	2,300,027	0.50
				09/06/2017	16,570	Transfer	2,316,597	0.51
				09/06/2017	-867	Transfer	2,315,730	0.51
				16/06/2017	22,316	Transfer	2,338,046	0.51
				23/06/2017	39,459	Transfer	2,377,505	0.52
				23/06/2017	-3,228	Transfer	2,374,277	0.52
				30/06/2017	18,391	Transfer	2,392,668	0.52
				07/07/2017	19,768	Transfer	2,412,436	0.53
				07/07/2017	-1,974	Transfer	2,410,462	0.53
				14/07/2017	17,184	Transfer	2,427,646	0.53
				14/07/2017	-4,965	Transfer	2,422,681	0.53
				21/07/2017	14,167	Transfer	2,436,848	0.53
				21/07/2017	-6,212	Transfer	2,430,636	0.53
				28/07/2017	39,408	Transfer	2,470,044	0.54
				28/07/2017	-65,738	Transfer	2,404,306	0.53
				04/08/2017	43,688	Transfer	2,447,994	0.53
				11/08/2017	52,230	Transfer	2,500,224	0.55
				11/08/2017	-856	Transfer	2,499,368	0.55
				18/08/2017	36,639	Transfer	2,536,007	0.55
				18/08/2017	-36,288	Transfer	2,499,719	0.55
				25/08/2017	33,201	Transfer	2,532,920	0.55
				01/09/2017	37,365	Transfer	2,570,285	0.56
				01/09/2017	-17,682	Transfer	2,552,603	0.56
				08/09/2017	26,957	Transfer	2,579,560	0.56
				08/09/2017	-16,128	Transfer	2,563,432	0.56
				15/09/2017	25,574	Transfer	2,589,006	0.57
				22/09/2017	35,247	Transfer	2,624,253	0.57
				29/09/2017	10,524,095	Transfer	13,148,348	0.57
				06/10/2017	147,385	Transfer	13,295,733	0.58
				13/10/2017	245,320	Transfer	13,541,053	0.59
				20/10/2017	133,921	Transfer	13,674,974	0.60
				27/10/2017	180,434	Transfer	13,855,408	0.60
				31/10/2017	228,593	Transfer	14,084,001	0.61
				03/11/2017	49,821	Transfer	14,133,822	0.62
				10/11/2017	22,610	Transfer	14,156,432	0.62
				10/11/2017	-16,498	Transfer	14,139,934	0.62

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (April 01, 2017)		Date	Increase/ Decrease in share holding	Reason	Shareholding at the end of the year# (March 31, 2018)	
		No. of shares	% of total shares of the Bank				No. of shares	% of total shares of the Bank
				17/11/2017	35,344	Transfer	14,175,278	0.62
				24/11/2017	160,510	Transfer	14,335,788	0.62
				24/11/2017	-2,467	Transfer	14,333,321	0.62
				01/12/2017	137,424	Transfer	14,470,745	0.63
				01/12/2017	-105,000	Transfer	14,365,745	0.63
				08/12/2017	188,077	Transfer	14,553,822	0.63
				08/12/2017	-35,000	Transfer	14,518,822	0.63
				15/12/2017	158,187	Transfer	14,677,009	0.64
				22/12/2017	5,054,061	Transfer	19,731,070	0.86
				22/12/2017	-7	Transfer	19,731,063	0.86
				29/12/2017	224,603	Transfer	19,955,666	0.87
				29/12/2017	-379,760	Transfer	19,575,906	0.85
				05/01/2018	232,040	Transfer	19,807,946	0.86
				05/01/2018	-1,031	Transfer	19,806,915	0.86
				12/01/2018	153,049	Transfer	19,959,964	0.87
				12/01/2018	-8,035	Transfer	19,951,929	0.87
				19/01/2018	4,854	Transfer	19,956,783	0.87
				19/01/2018	-33,641	Transfer	19,923,142	0.87
				26/01/2018	4,372	Transfer	19,927,514	0.87
				26/01/2018	-369,513	Transfer	19,558,001	0.85
				02/02/2018	-274,920	Transfer	19,283,081	0.84
				09/02/2018	74,835	Transfer	19,357,916	0.84
				09/02/2018	-197,894	Transfer	19,160,022	0.83
				16/02/2018	175,073	Transfer	19,335,095	0.84
				16/02/2018	-1,728	Transfer	19,333,367	0.84
				23/02/2018	587	Transfer	19,333,954	0.84
				23/02/2018	-54,699	Transfer	19,279,255	0.84
				02/03/2018	234,912	Transfer	19,514,167	0.85
				02/03/2018	-5,368	Transfer	19,508,799	0.85
				09/03/2018	318,078	Transfer	19,826,877	0.86
				16/03/2018	549,192	Transfer	20,376,069	0.88
				23/03/2018	518,130	Transfer	20,894,199	0.91
				23/03/2018	-38,916	Transfer	20,855,283	0.91
				30/03/2018	606,634	Transfer	21,461,917	0.93
				30/03/2018	-87,354	Transfer	21,374,563	0.93
				31/03/2018			21,374,563	0.93

Note: Top ten shareholders of the Bank as on March 31, 2018 has been considered for the above disclosure.

The variation in terms of percentage is due to increase in paid up share capital of the Bank on account of allotment of shares pursuant to exercise of options under the ESOP scheme(s) during the year ended March 31, 2018, without change in the number of shares, wherever applicable, as on March 31, 2018. The number of shares have inter-alia increased due to sub-division of shares of the Bank w.e.f. September 22, 2017.

V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Name of Director and KMP	Shareholding at the beginning of the year (April 01, 2017)		Change in Shareholding (No. of Shares)				Shareholding at the end of the year (March 31, 2018)#	
		No. of shares	% of total shares of the Bank	Pre-split		Post-split		No. of shares	% of total shares of the Bank
				Increase	Decrease	Increase	Decrease		
	Directors								
1.	Saurabh Srivastava	1,610	0.00	-	-	-	-	8,050	0.00
2.	Vasant V. Gujarathi	1,000	0.00	1,500	-	2,500	-	15,000	0.00
3.	Ajai Kumar	205	0.00	150	-	625	-	2,400	0.00
4.	Rana Kapoor	20,000,000	4.38	-	-	-	-	100,000,000	4.34
	KMPs								
1.	Rajat Monga (CFO)	1,001,271	0.22	1,00,000	1,49,054	8,50,000	3,00,000	53,11,085	0.23
2.	Shivanand Shettigar (CS)	9,946	0.00	-	3,000	30,000	2,750	61,980	0.00

The shareholding at March 31, 2018 has taken into consideration the sub-division of shares of the Bank w.e.f. September 22, 2017.

V) INDEBTEDNESS

INDEBTEDNESS OF THE BANK INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

In ₹Million

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	14,199	371,868	-	386,067
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	9	7,912	-	7,921
Total (i+ii+iii)	**14,208**	**379,780**	**-**	**393,988**
Change in Indebtedness during the financial year				
Addition	2,194,870	2,250,399	-	4,445,269
Reduction	2,162,595	1,914,964	-	4,077,559
Net Change	**32,275**	**335,435**	**-**	**367,710**
Indebtedness at the end of the financial year				
i. Principal Amount	46,463	702,473	-	748,936
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	20	12,742	-	12,762
Total (i+ii+iii)	**46,483**	**715,215**	**-**	**761,698**

**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

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)	40,613,414*	-	-	40,613,414
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	9,743,654	-	-	9,743,654
	c. Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option Granted during the year	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission • as % of profit • others, specify...	-	-	-	-
5.	Others (Company contribution towards PF, Medical Reimbursement)	3,154,436	-	-	3,154,436
	Total (A) (Total of remuneration does not include the number of Stock Options)	53,511,504	-	-	53,511,504
	Ceiling as per the Act*				'Refer note'

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to MD&CEO shall not exceed 5% of the net profit of the Bank. The remuneration paid to the MD&CEO is well within the said limit.

** The Shareholders of the Bank at its 11th AGM held on June 06, 2015 had approved the remuneration for the financial Year beginning from April 01, 2015 with an annual increment of upto a maximum of 20% for every year thereafter during the currency of the term. The Bank has paid the aforesaid remuneration basis the current approval from RBI which is effective from April 01, 2016. The Bank has applied for revision in remuneration from April 01, 2017 and the increment as finally approved by RBI would be paid for FY 2017-18 to the MD & CEO.*

B. REMUNERATION TO OTHER DIRECTORS:

In ₹

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Vasant Gujarathi	Brahm Dutt	Saurabh Srivastava	Ajai Kumar	Ashok Chawla	Debjani Ghosh	
(1)	Independent Directors								
	• Fee for attending board /committee meetings	1,700,000	1,750,000	1,900,000	1,400,000	-	2,150,000	550,000	9,450,000
	• Commission	1,000,000	1,000,000	1,000,000	750,000	-	-	-	3,750,000
	• Others, please specify (Fixed pay)						3,000,000		3,000,000
	Total (1)	**2,700,000**	**2,750,000**	**2,900,000**	**2,150,000**	**-**	**5,150,000**	**550,000**	**16,200,000**
(2)	Other Non-Executive Directors								
	• Fee for attending board /committee meetings					2,750,000			2,750,000
	• Commission					1,000,000			1,000,000
	• Others, please specify (Fixed pay, pension, LTA, Bonus and medical)								
	Total (2)					**3,750,000**			**3,750,000**
	Total (1+2)	**2,700,000**	**2,750,000**	**2,900,000**	**2,150,000**	**3,750,000**	**5,150,000**	**550,000**	**19,950,000**
	Total Managerial Remuneration								
	Overall Ceiling as per the Act								

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

2. Ms. Debjani Ghosh attended three Committee meetings as invitee and fee mentioned above includes ₹150,000 as sitting fee for attending these Committee meetings.

3. Mr. M. R. Srinivasan, Non-Executive Non-Independent Director completed his tenure as Director on the Board of the Bank on October 22, 2016 in terms of RBI apporval dated March 04, 2015. The Commission of ₹5,00,000 pertaining to FY 2016-17 paid to him during FY 2017-18.

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)	94,711,712	9,995,068	104,706,780
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	32,400	32,400
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option Granted during the year	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission • as % of profit • others, specify...	-	-	-
5.	Others (Company contribution towards PF, Medical Reimbursement)	2,082,301	334,260	2,416,561
Total (Total of remuneration does not include the number of Stock Options)		**96,794,013**	**10,361,728**	**107,155,741**

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)
COMPANY					
Penalty			None		
Punishment					
Compounding					
DIRECTORS					
Penalty			None		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
YES BANK Limited

We have examined the compliance of conditions of Corporate Governance by YES BANK Limited (hereinafter referred as 'Company') for the Financial year ended March 31, 2018 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations').

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations, including appointment of Woman Director on May 15, 2017, which was vacant from October 30, 2016.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No. : 3667
CP No. : 3202

Place : Mumbai
Date : April 26, 2018

REPORT ON CORPORATE GOVERNANCE

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2018)

I BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

YES BANK is committed to set the highest standards of Corporate Governance right from its inception benchmarked with the best in class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. Transparency and accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for 'creating and sharing value'. It is a key element to carry on business operations based on the underlying principles of integrity, ethics, transparency and accountability. Over the last few decades, corporate governance is getting ever increasing importance across the globe. Systems and policies are required to be upgraded regularly, to meet the challenges of rapid growth in a dynamic business environment.

YES BANK believes that there is a need to view Corporate Governance as more than just regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholder's wealth maximization. Therefore, your Bank is articulating a multi-stakeholder model (including shareholder value) of accountability that will manage the symbolic relationship between the various stakeholders. This approach will be central to the day-to-day functioning of your Bank and in implementation of its business strategy.

As part of the Bank's objective and commitment to implement best practices in Corporate Governance, it is felt necessary to codify these Governance Practices of the Bank by framing the 'Code for Corporate Governance' as another milestone towards its endeavor for achieving higher governance standards. Accordingly, the Board has adopted the 'Code for Corporate Governance'.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. It is well-recognized that an effective Board is a pre-requisite for a strong and effective Corporate Governance.

At YES BANK, the Board of Directors (the 'Board') is at the core of our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of our stakeholders.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Bank.

ENVIRONMENTAL, SOCIAL & GOVERNANCE RATING

Corporate Governance is emerged as an essential tool in the organizational management globally. Strong corporate governance practices have become crucial in achieving competitive advantage and positively impacting profitability. YES BANK endeavors to benchmark itself with the best of companies in India and globally, to maintain the highest ratings for its Environmental, Social and Governance (ESG) practices. We are pleased to advise you that in FY 2017-18, your Bank has become the first Indian bank to be included in the three most prestigious global sustainability indices – Dow Jones Sustainability Indices – Emerging Markets Index, MSCI All Country World Index (ACWI) ESG Leaders & SRI Indexes and FTSE4Good Emerging Index.

YES BANK continued to be the only Indian Bank included as an index component in Dow Jones Sustainability Indices ('DJSI') Emerging Markets for the third consecutive year, along with 49 global banks. The selection process included the world's largest 3,400 companies, which underwent a rigorous assessment on 600 data points across Economic, Social & Environmental parameters, including Corporate Governance, Risk Management, Climate Strategy, Environmental Policy & Management Systems and Community Impact.

The Bank also made it to the MSCI All Country World Index (ACWI) – ESG Leaders and MSCI ACWI Socially Responsible Investment Indices. The ACWI index consists of companies from 23 developed markets and 24 emerging markets. YES BANK's ESG performance is amongst the top 12% of the global financial industry and highest compared to the

top-10 largest banks globally. It highlights the Bank's key strengths in corporate governance and access to finance, demonstrating a strong ability to capitalize on access to finance theme, through product and distribution channels, innovation targeting SMEs and rural areas, with the opportunity to expand its services to under-banked population.

Additionally, your Bank was also selected as an index constituent of the FTSE4Good Emerging Index. YES BANK was rated above the threshold for companies in Emerging markets as well as that of Developed markets, by FTSE Russell.

Your Bank has closely aligned its corporate governance practices with shareholders' interests, undertaking in-depth reporting and disclosures on all key aspects of the business. Your Bank is a benchmark institution for Triple Bottom Line accounting and reporting in India and in FY 2017-18, became the first Indian bank to release a Sustainability report based on GRI Standards, while continuing to adhere to Integrated Reporting guidelines of the International Integrated Reporting Council. Your Bank has also received ISO 27001 certification for its information security management system and data privacy policies.

II BOARD OF DIRECTORS

The composition of Board of Directors of the Bank is governed by the relevant provisions of the Banking Regulation Act, 1949, the Companies Act, 2013 and rules made thereunder, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Articles of Association of the Bank and all other applicable laws and in accordance with the best practices in Corporate Governance.

The Corporate Governance philosophy of your Bank establishes that the Board's independence is essential to bring objectivity and transparency in the Management and in the dealings of the Bank.

As of March 31, 2018, the Board of Directors comprises of 8 Directors, Non-Executive Independent Part-time Chairman, 5 Independent Directors, 1 Non-Executive Non-Independent Director and Managing Director & CEO. The composition of Board of Directors represents optimal mix of professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and diversity of experience as required in the Banking Business. The Board reviews its strength and combination from time to time to ensure that it remains aligned with the statutory as well as business requirements.

APPOINTMENT OF DIRECTORS:

1) Ms. Debjani Ghosh was inducted on the Board as 'Additional (Non-Executive) Director' on May 15, 2017, who was appointed as Independent Director by the Shareholders at their 13th Annual General Meeting held on June 06, 2017.

2) Mr. Subhash Chander Kalia has been inducted on the Board as 'Additional (Non-Executive Non-Independent) Director' on April 03, 2018.

3) Dr. Pratima Sheorey and Mr. Rentala Chandrashekhar have been inducted on the Board as 'Additional (Non-Executive Independent) Directors' on April 26, 2018.

RE-APPOINTMENTS OF DIRECTORS:

1) Mr. Ajai Kumar, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

2) The Board of Directors at their meeting held on April 26, 2018 based on the provisions of the AOA and recommendation of N&RC, have decided to recommend the re-appointment of Mr. Rana Kapoor as MD & CEO with effect from September 01, 2018 for a period of three (3) years to the Members of the Bank for approval which will be subject to receipt of approval from Reserve Bank of India ('RBI').

RETIREMENT / CESSATION OF DIRECTORS:

1) In terms of Reserve Bank of India letter dated January 28, 2016 & March 28, 2018, Mr. Saurabh Srivastava completed his tenure as Director of the Bank on April 22, 2018.

2) Ms. Debjani Ghosh, Independent Director has resigned from the office of the Director on April 26, 2018 with immediate effect, due to her pre-occupation with full time engagement as President of National Association of Software and Services Companies (NASSCOM).

None of the Directors of the Bank are related to each other.

The composition of the Board of Directors of the Bank as on March 31, 2018, was as follows:

Sr. No.	Name of the Director	Category	Special Knowledge / Practical Experience
1	Mr. Rana Kapoor	Promoter, Managing Director & CEO	• Banking, • Risk Management, • Business Management, • Economics, • Finance, • Human Resources; and • Entrepreneurship
2	Mr. Ashok Chawla	Non-Executive (Independent) Part-Time Chairman	• Banking, • Finance, • Insurance, • Infrastructure, • Administration; and • Regulatory Management
3	Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	• Human Resources; and • Security Systems & Vigilance
4	Mr. Brahm Dutt	Independent Director	• Small Scale Industry, • Infrastructure, • Governance, Vigilance and Administration
5	Mr. Vasant Gujarathi	Independent Director	• Accountancy, • Audit; and • Risk Management
6	Mr. Saurabh Srivastava *(Completed his tenure on April 22, 2018)*	Independent Director	• Information Technology; and • Business Management
7	Mr. Ajai Kumar	Non-Executive Non-Independent Director	• Risk Management, • Payment & Settlement Systems, • Banking, • Finance, • Agriculture, • Human Resources, • Investments, • Treasury Operations, • Information Technology; and • Business Management
8	Ms. Debjani Ghosh *(Resigned from the office of the Director w.e.f. April 26, 2018)*	Independent Director	• Marketing; and • Information Technology

Note:

- *In terms of Section 10 (2A) of the Banking Regulation Act, 1949 all Directors other than the Chairman and/or Whole-time Directors or MD & CEO cannot hold office continuously for a period exceeding eight years.*
- *The Nomination & Remuneration Committee ('N&RC') of the Board undertakes the process of due diligence and evaluates every year whether the members of the Board adhere to the 'fit and proper' criteria as prescribed by the RBI and the adherence to the 'fit and proper' criteria by the members of the N&RC is evaluated by the Board of Directors annually and at the time of appointment of Directors.*

PROFILE OF BOARD OF DIRECTORS

Mr. Rana Kapoor

Mr. Rana Kapoor, aged 60 years, is the Founder and Managing Director & CEO of YES BANK.

As a professional entrepreneur, since 2003, he has been progressively establishing a high quality, state-of-the-art private Indian Bank with a vision of 'Building the Finest Quality Large Bank of the World in India'. 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 strong profitability and consistent asset quality. He is also on the Board of the Management of Indian Institute of Foreign Trade (IIFT), Delhi. Mr. Kapoor is also a member of the Executive Council of NASSCOM.

Mr. Kapoor was recently felicitated with the 'CNBC Asia's India Talent Management' award at the 13th edition of CNBC TV 18's India Business Leader Awards. He was felicitated by the Hurun Report – Entrepreneur of the Year award for his role in the growth of YES BANK, job creation, innovation in the financial sector and overall contribution to the development of the nation. He was also felicitated by the Hon'ble Governor of Maharashtra, Shri C.H. Vidyasagar Rao and the Hon'ble Chief Minister of Maharashtra, Shri Devendra Fadnavis, for his 'commitment to the development of the State of Maharashtra' in 2017. Mr. Kapoor was felicitated as CEO of the Year at SABRE Asia Pacific Awards 2016 in Hong Kong by The Holmes Group.

Mr. Kapoor received the 'Best Business Innovator' award at the Asia Business Leadership Forum. He had earlier received The Asian Banker CEO Leadership Achievement Award for India, 2013. Mr. 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.

Mr. 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 Bachelor's degree in Economics (Honours) from the University of Delhi (1977). He has also received the prestigious President's Medal from Rutgers University.

Mr. Kapoor held 100,000,000 equity shares in the Bank as of March 31, 2018.

Mr. Ashok Chawla

Mr. Ashok Chawla, aged 67 years, has been on the Board of YES BANK since March 05, 2016 and was appointed as Independent Director of the Bank by the Shareholders in 12th Annual General Meeting ('AGM') on June 07, 2016 for a period of five years. He was also appointed as Non-Executive Part-time Chairman of the Bank w.e.f. October 30, 2016 for a period of 3 years.

Prior to joining YES BANK, Mr. Chawla was the Chairman of the Competition Commission of India ('CCI'). Mr. Chawla had been a distinguished civil servant with over 40 years of experience in various sectors of the economy in India as well as in International Multilateral agencies. He has obtained Masters in Economics from the Delhi School of Economics in 1972 and joined the Indian Administrative Service in 1973. He started his career in the State of Gujarat and held various positions, including Chief Executive of important State-Owned enterprises. Notably, he was the head of the multi-billion dollar Sardar Sarovar Narmada multi-purpose project.

In the late 1980's, he was posted as Economic Counsellor in the Indian Embassy in Washington DC, USA.

Between 1998 and 2011, Mr. Chawla worked in several senior positions in the Federal Government at Delhi. He has been Permanent Secretary in key ministries of the Government of India such as Finance, Economic Affairs, and Civil Aviation.

Mr. Chawla has been on the Boards of Reserve Bank of India, Insurance Regulatory and Development Authority, State Bank of India and Life Insurance Corporation of India. He was also at different points in time India's Executive Director on the International Fund for Agricultural Development, Alternate Governor for India at the World Bank and at the Asian Development Bank.

Mr. Chawla had also held leadership positions in the corporate sector. He had been Chairman and Managing Director of Indian Petrochemicals Corporation Limited and a Director on the Oil and Natural Gas Corporation (ONGC).

In view of his rich and diversified experience, after his retirement from the civil service, he was appointed as the Chairman of the CCI for the period 2011-2016. The CCI is a new market-economy regulator to ensure fair play by business and Industry and it gained immensely in stature during this period.

Positions currently held by Mr. Chawla in other organizations are as under:

- Chairman of National Stock Exchange of India Limited, India's leading stock exchange;

- Chairman of Reliance Nippon Life Insurance Company Limited;
- Director on the Board of Jet Airways (India) Limited;
- Chairman of the Governing Council of The Energy and Research Institute (TERI), a not-for-profit policy research organization, working in the fields of energy, environment and sustainable development.

Mr. Chawla does not hold any equity shares in the Bank as of March 31, 2018.

Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)

Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), aged 66 years, has been on the Board of YES BANK since April 25, 2012 as an Independent Director.

A hardcore professional, Gen. Sabharwal had an outstanding service career, spanning over 40 years in the Indian Army that began with successfully fighting in the Indo-Pakistan War in 1971. He has a rich operational experience having served in Siachen, Ladakh, Manipur in North East India, and several tenures in Jammu and Kashmir engaged in counter terrorist operations.

He was the Corps Commander of the sensitive 15 Corps at Srinagar responsible for maintaining internal security and stability within the Kashmir Valley. He was the Security Advisor to the J&K Government in 2007-08 during the President's Rule arising out of the Amarnath Shrine Board agitation.

Gen. Sabharwal was appointed as the Adjutant General of the Indian Army in 2008, wherein he managed the entire Human Resources of over 11 lakh officers and soldiers and interests of 22 lakh ex-servicemen. He has sound experience in policy formulation, implementation and monitoring of manpower planning, personnel services, recruitment, selection, discipline, vigilance, welfare and security.

Having done his schooling from St. Columba's High School, Delhi, he has completed his Masters in Defence Studies from Madras University and Masters in Management Studies from Osmania University. He is also a Master of Military Arts and Science from CGSC University, Kansas, USA, a Master of Strategic Studies from US Army War College, Pennsylvania, USA and an M(Phil) in Defence Studies from Madras University.

He completed his PhD from the Indira Gandhi National Open University, New Delhi in 2015. The subject of his thesis was 'Terrorism in South Asia and its Relationship to India's Security'.

He was awarded the Param Vishisht Seva Medal for distinguished services of an exceptional order by the President of India. Earlier, he had been awarded the Vishisht Seva Medal, the Ati Vishisht Seva Medal and the Bar to Ati Vishisht Seva Medal.

He retired from service in 2011. In 2015, he was nominated by the Raksha Mantri to Chair a Committee of Experts to review the litigation and grievances in the Defence Services of India. In 2016, he was a member of the RMC Expert Committee to review the combat potential of the Defence services.

Gen. Sabharwal does not hold any equity shares in the Bank as of March 31, 2018.

Mr. Brahm Dutt

Mr. Brahm Dutt, aged 67 years, has been on the Board of YES BANK since July 24, 2013 as an Independent Director.

During his career in the IAS for 37 years, he held several posts in the State Government of Karnataka as well as in the Central Government and rose to the level of Secretary to Government of India. Before retirement from the service, he worked as Secretary in the Cabinet Secretariat and in the Ministry of Road Transport & Highways, for over three and half years. After retirement from the IAS, he was an advisor (Energy & Highways) to Government of Karnataka from May 2011 to September 2013. Besides advising several private companies on issues related to SMEs, FDI, infrastructure, highways and power, he was also associated with several government committees and task forces.

His core competence is in the area of SME development. He had held prominent positions such as Joint Development Commissioner for Handlooms, Ministry of Textiles, Executive Director, Indian Silk Export Promotion Council and Joint Secretary (SSI), Ministry of Industry, in Government of India for over 10 years and Director of Industry and Commerce in Karnataka for about 2 years. He has acted as a member on the Board of Directors of SIDBI, NSIC, KSFC, KSSIDC and several other public sector undertakings associated with development and financing of small scale and micro enterprises. He has closely dealt with issues connected with availability of credit to these sectors and was associated with several high level committees for improving availability of credit to these sectors. As Joint Secretary, the very first initiative for development of micro finance institutions in the country was taken by him.

Some other posts held in Government of India are Chairman, Tariff Authority for Major Ports, Chairman, National Authority for Chemical Weapons, Additional Secretary (Department of Personnel & Training), Counsellor (Commerce & Finance, Embassy of India, Washington DC) and Deputy Secretary (Ministry of

Commerce). In the State Government of Karnataka, he held the posts of Principal Home Secretary, Principal Secretary (Disinvestment & Public Sector Reforms), CMD, Mysore Paper Mills, Secretary (Education) and also worked in the field as Assistant Commissioner in-charge of sub-division and Deputy Commissioner of Mysore District in Karnataka.

He had led several missions as International Consultant for the International Trade Centre, Geneva for preparation of projects for development of SMEs in Ghana, Nigeria and The Gambia in Africa. He also acted as a Consultant for UNIDO and UNDP.

Mr. Dutt is M.Sc (Physics), MA (Economics) & LL.B. and has more than 37 years of experience in the Indian Administrative Services (IAS).

He is also the Non-Executive Chairman and Independent Director on the Board of Bharat Road Network Limited, a listed company promoted by SREI Group for development of Highways in the Country.

Mr. Dutt does not hold any equity shares in the Bank as of March 31, 2018.

Mr. Vasant Gujarathi

Mr. Vasant Gujarathi, aged 67 years, has been on the Board of YES BANK since April 23, 2014 as an Independent Director.

Mr. Gujarathi has more than 35 years of post-qualification experience in PriceWaterhouse Coopers (PwC) in various capacities/roles and working with some of the largest multinational Companies in India. He joined Lovelock & Lewes, Chartered Accountants, in August 1976, initially a member firm of Coopers & Lybrand International and subsequently member firm of PwC. He was also a Partner with PwC India for 22 years (1991-2013) with PwC's Assurance and Business Advisory Services ('ABAS') group and had also represented PwC India on PwC Global Committee for 'Industrial Products' Industry. He has over three decades of Audit experience of working with some of the large multinational and domestic Indian Companies.

He has exposure in the field of Audit, Financial Systems, Operations, Risk Management, Regulatory Compliance, Internal Audit Services, IT strategy implementation, Talent Management, Corporate Governance review & Advisory Services, Ethics Assessment and Program Development, etc.

He is a Chartered Accountant and B.Com (Hons.).

Mr. Gujarathi is also on the Board of YES Securities (India) Limited, wholly owned subsidiary of YES BANK Limited.

Mr. Gujarathi held 15,000 equity shares in the Bank as on March 31, 2018.

Mr. Saurabh Srivastava

(Mr. Saurabh Srivastava completed his tenure on April 22, 2018)

Mr. Saurabh Srivastava, aged 72 years, has been on the Board of YES BANK since April 23, 2014 as an Independent Director.

Mr. Srivastava is one of India's leading entrepreneurs and institution builders. He is widely acknowledged in India and globally, as one of the architects of the Indian IT Industry and as leading the creation of a vibrant entrepreneurial eco system in India. Prime Minister Shri Narendra Modi has presented him with an Award for his contribution to the Indian IT Industry and the President of India has conferred on him the Padma Shri Award.

After working for IBM in the US and India and heading the joint venture of Unisys with Tata in India, he became a serial entrepreneur, founding several successful companies. One was ranked amongst the top 20 Indian software companies and publicly listed before being acquired by Xansa (listed on the London stock exchange with revenues of around USD 800 million till it was acquired by Steria). Mr. Srivastava was on the board of Xansa plc for several years. Another company was acquired by SAIC, a USD 10 billion US MNC. He has since founded/invested in over 50 start up ventures and serves in a non executive capacity on boards of both private and publicly listed companies in the UK, Singapore and India.

He is a co-founder and past Chairman of NASSCOM, the Indian Software Industry Association as also NASSCOM Foundation, the IT industry's community service arm. He serves/has served on the National Executive Committees of the two apex industry chambers in India, CII (Confederation of Indian Industries) and FICCI (Federation of Indian Chambers of Commerce & Industry).

He founded and chaired India's first and extremely successful early stage Venture Capital fund in the private sector, Infinity Ventures, which created companies such as India Bulls, India Games & Avendus. He also co-founded the Indian Angel Network, India's first and largest business angel group with over 400 members, comprising the who's who of successful Indian entrepreneurs and CEOs, with operations in 7 cities, including London. He chaired the Indian Venture Capital Association for a decade and is Chairman Emeritus of TIE Delhi and served on the Global Board of TIE, the world's largest organization devoted to entrepreneurship with 16,000 members in 54 chapters across 14 countries.

He serves / has served on several government committees / task forces / boards such as the Indo EU Round Table, PM's National Innovation Council, Software Technology Parks of India, Planning Commission's Committee on 'Creating a Vibrant Entrepreneurial Ecosystem in India', IT Ministry's Committee on software exports, Planning Commission and SEBI Committees on Venture Capital, Committee set up by the BJP Govt. to examine the Financial Structure of the MSME Sector, National and State VC Funds, Media Lab Asia, Railway Expert Committee, CSIR Tech Ltd. (set up by the Council for Scientific and Industrial Research to commercialise its technologies), Government's Multimodal Transport Task Force and Task Forces for two of India's largest states, UP and Bihar.

He is very active in community causes. He founded and chaired NASSCOM Foundation, which is focussed on leveraging the benefits of IT for the underprivileged. He is on the board of America India Foundation, formerly co chaired by President Bill Clinton, which raises money in America for funding social causes in India like education and health, and he has a personal charity which focusses on educating the girl child in Delhi's slums.

He is a co-founder of Ashoka University and serves/ has served on the Advisory Boards of Imperial College Business School, London and Uttarakhand and Himachal Universities in India and on the Entrepreneurship/ Incubation boards of IIT Delhi and IIT Kanpur.

Mr. Srivastava holds Masters from Harvard University and a B. Tech from the Indian Institute of Technology (IIT) Kanpur. His awards include 'Distinguished Alumnus' from IITK, the Cybermedia (Indian IT Industry's) Data Quest Lifetime Achievement Award, and an Honorary Doctorate in Technology from the University of Wolverhampton, UK.

He is also on the Board of various Companies including Dr. Lal Pathlabs Limited, Digital India Corporation and Info Edge (India) Limited.

Mr. Srivastava held 8,050 equity shares in the Bank as on March 31, 2018.

Mr. Ajai Kumar

Mr. Ajai Kumar, aged 64 years, has been on the Board of the Bank as Non-Executive Non Independent Director since January 29, 2016.

Prior to this, he was acting as Senior Strategic Advisor of the Bank since 2014. Mr. Ajai Kumar has a distinguished career in banking industry having more than 40 years of experience in Public Sector Banking Industry holding eminent leadership positions in India and overseas (New York, USA) including as CMD of Corporation Bank, Executive Director of UCO Bank and as General Manager & Head of Technology and Retail Banking at Bank of Baroda.

As CMD of Corporation Bank, he provided strong leadership to take Bank to next level of Business and Next Generation Technology, implemented turnaround strategies successfully by creation of strong business processes and structures in the form of Circle Offices for better efficiency and controls, launching SME Loan Centres, Agriculture Business Development Cells, and several Gold Loan Shoppes. Under his leadership, Corporation Bank emerged as the Bank with very strong financials, best productivity, best asset quality and best customers services among its peers. The Bank was ranked No. 1 in the country for its performance in MSME finance for the year 2012-13 and honoured with National award by Prime Minister of India.

Prior to Corporation Bank, Mr. Ajai Kumar was Executive Director of UCO Bank wherein, he had developed significant improvements in structures, systems and controls in operations, credit monitoring and supervision.

In his 36 years of service in Bank of Baroda, he had held various positions handling key responsibilities in Head Office, Zonal Offices, Branches, New York Office and Off-shore Banking Operations of Nassau, Bahamas, covering a vast spectrum of banking operations. He also played a pivotal role in strengthening and consolidating Retail Business with centralized process through Retail Loan Factories and introduction of several new value-based products for customers. His hands-on and practice-driven experience facilitated balanced decision making with insight into all aspects.

Mr. Ajai Kumar secured several awards and accolades in his illustrious career as a Banker and has also been honored with Outstanding Award for the paper submitted on 'Knowledge Management - A Perspective for Public Sector Banks' in BECON 2003. He was also a Member of the Board of Directors at Indo Zambia Bank Ltd. and Multi Commodity Exchange of India Limited and is currently holding directorship of various Companies including Nuclear Power Corporation of India Limited and Metropolitan Stock Exchange of India Limited.

Mr. Ajai Kumar is a Law Graduate and a Post Graduate in Physics from University of Allahabad. He is a Certified Associate of Indian Institute of Bankers (CAIIB). He started his career with Bank of Baroda joining as a Direct Officer in the year 1973.

Mr. Ajai Kumar held 2,400 equity shares in the Bank as on March 31, 2018.

Ms. Debjani Ghosh

(Resigned as Director of the Bank w.e.f. April 26, 2018)

Ms. Debjani Ghosh, aged 51 years, has been on the Board of YES BANK since May 15, 2017 and was appointed as an Independent Director of the Bank by the Shareholders at their 13th AGM held on June 06, 2017 for a period of five years.

Prior to joining YES BANK, Ms. Debjani Ghosh was Vice President, Sales & Marketing Group (SMG), Intel, and Managing Director, Intel South Asia. She started with Intel in 1996 and has held numerous leadership roles over her 21-year career with the company.

Ms. Ghosh joined Intel as a Marketing Executive with a dream to head the country business someday in the future. In 2012 was returned to India as MD - Intel South Asia. She is a strong believer that dreams do come true but only if you really believe in them and are willing to work as hard as it takes to make them come true.

The last 5 years in India, she has successfully driven a complete reset of the country strategy to shift focus to market creation and strong ecosystem partnerships, positively impacting Intel's business growth in the country. Passionate about Digital India, she has been instrumental in designing and creating Intel's programs to support India's transformation to a Digital Nation, with focus on digital literacy, grounds up tech innovation and strong partnerships across the ecosystem.

She has served in many industry forums like NASSCOM, MAIT, FICCI to strengthen industry advocacy for Digital India and increase the urgency on action.

Ms. Ghosh is a strong believer in equal opportunities, and regarded as a champion for diversity and equality in corporate India. She was the first woman Intel India Country Head and the first woman President of MAIT. She has been ranked by Fortune India as one of the top 20 Most Powerful Women in Business in India for 5 consecutive years since 2012. In 2017, Fortune India ranked her the 11th most powerful woman in business in India.

She has stepped down from Intel end March to pursue her passion of working towards transforming India to an inclusive Digital Nation, with focus on tech innovation, education and equal empowerment. She dreams of India emerging as the most innovative country in the world, and also a country where women achieve full representation.

Key Recognitions:

- 2016 – 11th Fortune Most Powerful Women in India;
- Ranked as one of the top 20 Most Powerful Women in India for 5 consecutive years since 2012;
- Featured as one of the top 30 Women Leaders in India in Naina Lal Kidwai's book 30 Women in Power;
- INTEROP 2014 Women Achievers Award in IT2012;
- Business Today Award for being one of the '25 Most Powerful Women in Indian Business.

Ms. Debjani Ghosh does not hold any equity shares in the Bank as of March 31, 2018.

Mr. Subhash Chander Kalia

(Appointed an Additional Director of the Bank w.e.f. April 03, 2018)

Mr. Subhash Chander Kalia, aged 66 years, has rich experience of over 38 years in the Banking Industry holding key positions in India and abroad. Previously, Mr. Kalia served as an Executive Director of Union Bank of India from November 2009 to September 2011. He also served as an Executive Director of Vijaya Bank Ltd. from October 2008 to November 2009. Mr. Kalia joined Bank of Baroda in 1973 and worked in several capacities up to the level of General Manager till 2008. He was instrumental in setting up Baroda Pioneer Asset Management Company and Baroda L & G Life Insurance Company.

Mr. Kalia has significant expertise in Agriculture lending, Financial inclusion and Priority Sector Lending. He has also served on various Committees constituted by RBI / Association / Government of India such as Indian Banks' Association Committee on Agro Business and Financial Inclusion for the year 2010-11, Empowered Committee on External commercial Borrowing of RBI, Committee constituted by RBI to re-examine the existing classification and suggest revised guidelines with regard to priority sector lending classification and related issues, Committee constituted by Government of India to identify issues in financing of Projects in Road, Conventional Power, Fuel & Fuel & Energy, Urban Transport and other Sectors as identified in Indian Infrastructure Report, etc.

Mr. Kalia has also been associated with corporate and NBFCs as advisor in financial service sector space. He has rich experience in corporate governance practices followed in India and abroad, having served on the Boards of several Banks and Institutions. He has also served as the Chairman of Regional Rural Bank, Pratapgarh, Director on the Board of erstwhile Bareilly Corporation Bank Limited, Nainital Bank Limited, Shahjahanpur Kshetriya Gramin Bank Limited and Bareilly Kshetriya Gramin Bank Limited and various overseas subsidiaries of Bank of Baroda, etc.

Mr. Kalia holds a Bachelor's degree in Arts from Punjab University and a Master's degree in Political Science,

with the distinction of standing first in the University from Guru Nanak Dev University and is also a Gold Medalist. He is also a qualified CAIIB.

He is also a director on the Board of the below mentioned companies:

PNC Infratech Limited, Amar Ujala Publications Limited (since Dec 2017), BOI AXA Investment Managers Ltd., NABARD Financial Services and INFIN Asset Reconstruction Private Ltd. (being in the process of Striking Off) and IFCI Venture Capital Fund Limited.

Mr. Subhash Chander Kalia held 2,000 equity shares in the Bank as on April 03, 2018.

Mr. Rentala Chandrashekhar

(Appointed as an Additional Director of the Bank w.e.f. April 26, 2018)

Mr. Rentala Chandrashekhar aged 65 years, has extensive experience in IT and Telecom sectors. He is the immediate Past President of NASSCOM. Under his leadership, NASSCOM strengthened its position as a leading voice of the industry in the wake of rising scale, diversity and transformation in the IT-BPM industry in the country. He also undertook various industry initiatives for driving the growth of start-up eco-system in the country and building agile, scalable skilling programs for New Age tech skills. He was also a member of the Committee on Digital Payments set up by the Ministry of Finance that submitted its recommendations in December, 2016 to strengthen the digital payments eco-system in the medium-term.

Mr. Chandrashekhar has also been the Secretary to the Government of India for Electronics and IT as well as Chairman of the Telecom Commission of India and Secretary, Telecom. He was a member of the Indian Administrative Service since 1975 and retired from Government service in 2013. Mr. Chandrashekhar has acted as strategic adviser to large global companies, major banks and Indian startups apart from serving as Director on the Boards of several companies.

Mr. Chandrashekhar has extensive experience in the Government for formulating and implementing policies, strategies and action plans to foster the growth of the Telecom and IT industry which also includes infrastructure, Human Resource Development, e-governance and establishing Public Private Partnerships.

Mr. Chandrashekhar holds a Master's degree in Computer Science from Pennsylvania State University, USA and a Master's degree in Chemistry from the Indian Institute of Technology, Bombay. He has several honors and awards to his credit including the Prime Minister's Award for Excellence in Public Administration, the Data Quest Path Breaker of the Year Award and is a distinguished Alumnus of IIT Bombay.

Mr. Chandrashekhar does not hold any equity shares in the Bank as of April 26, 2018.

Dr. Pratima Sheorey

(Appointed as an Additional Director of the Bank w.e.f. April 26, 2018)

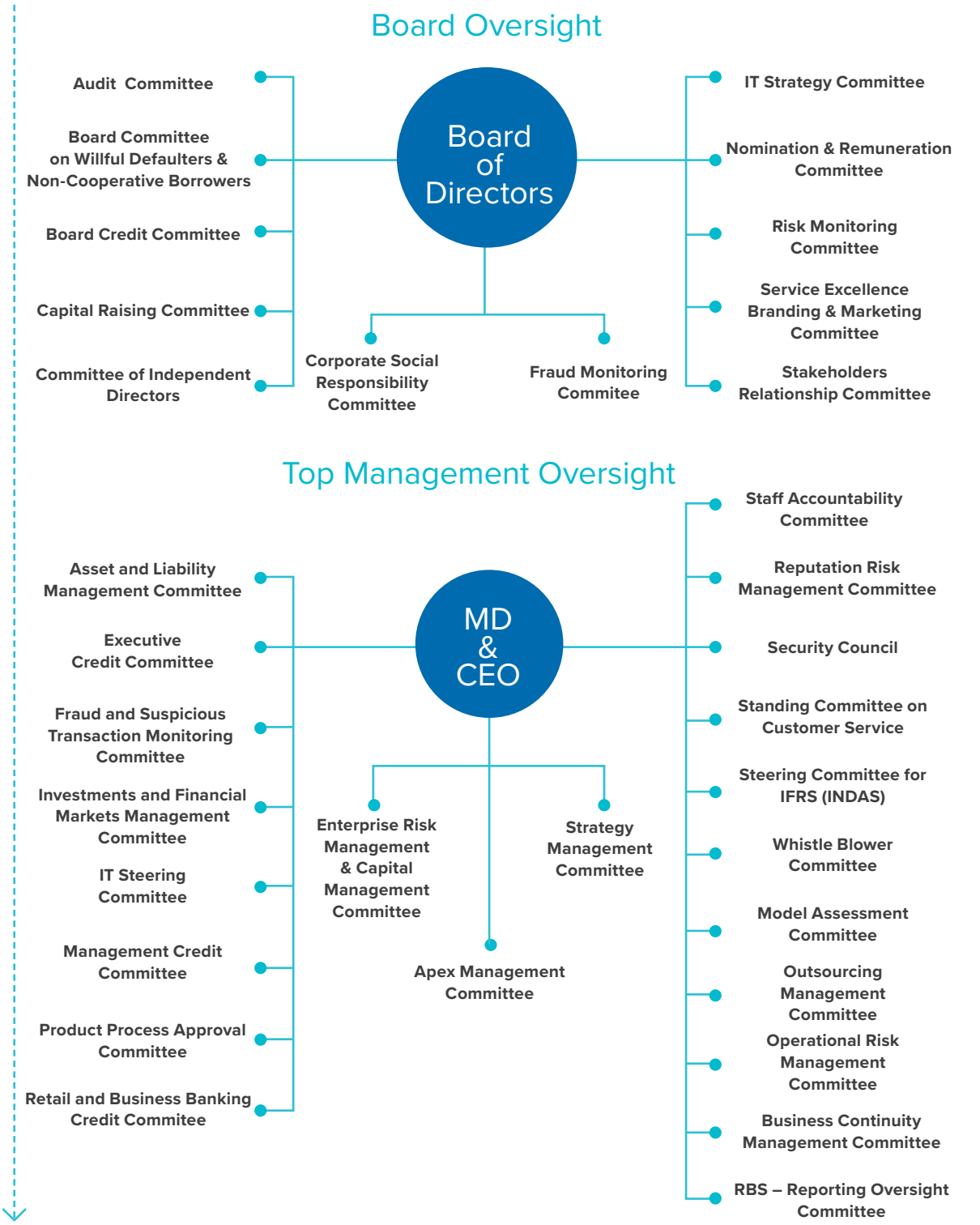
Dr. Pratima Sheorey, aged 45 years, has over 21 years of experience in Academics (Marketing), Consumer behavior, Market Research, Training and Customer Insight mapping. She is currently the Director of Symbiosis Centre for Management and Human Resource Development (SCMHRD), a leading B-school in Pune. She has also served as Director of Symbiosis Institute of International Business (SIIB) from April 2013 to August 2013. Dr. Sheorey was a full time Faculty at SCMHRD as Associate Professor in the Department of Marketing from July 2007 till April 2013 as well as a Visiting Faculty from June 1999 till January 2001 and Full time faculty from January 2001 till July 2003. She has also been associated with Hero Corporate Services Limited, ORG – MARG (The Nielson Company) and IMRS India Ltd. for Research.

Dr. Sheorey brings with her extensive research on Consumer behavior, Customer loyalty, Market research across consumer focused sectors, with a specific emphasis on creating an all-round experience in customer engagement. She has co-authored numerous papers for Journals and has also co-authored a chapter, 'A conceptual framework for determining brand attitude and brand equity through text analytics of social media behavior' in Encyclopedia of Information Science and Technology.

Dr. Sheorey is a Ph.D. in Marketing and is an MBA (Marketing) from Pune University. She is a Bachelor of Science (Microbiology) from Pune University and has qualified USG NET in 2012.

Dr. Sheorey does not hold any equity shares in the Bank as of April 26, 2018.

Corporate Governance Structure



GOVERNANCE STRUCTURE

YES BANK believes in Corporate Governance beyond regulatory requirements as there exists a fundamental link with the organization of business, corporate responsibility and shareholder's wealth maximization. In line with these ethos, the Corporate Governance Structure of the Bank, has been designed as given below, which provides a comprehensive framework to (i) enhance accountability to shareholders and other stakeholders, (ii) ensure timely implementations of the plans and accurate disclosures of all material matters, (iii) deal fairly with shareholders and other stakeholder interests, and (iv) maintain high standards of business ethics and integrity.

A) BOARD LEVEL PERFORMANCE EVALUATION

The Bank has in place a Board Evaluation Framework setting out the process and the criteria for the performance evaluation which had been recommended by the Nomination & Remuneration Committee of the Board ('N&RC') and approved by the Board. The said process is in line with the provisions of the Companies Act, 2013, Regulations 17 & 19 of the Listing Regulations and SEBI guidance note on the Board evaluation dated January 05, 2017, which provides for carrying out the performance evaluation of the Individual Directors including Independent Directors, Non-Independent Directors, Managing Director & CEO and Chairman, Committees of the Board and the Board as a whole.

The framework is monitored, reviewed and updated by the Board as and when required, in consultation with the N&RC, based on need and new compliance requirements, if any.

The Performance evaluation is carried out on the basis of criteria provided in the Performance Evaluation Forms as under:

a) Form A - for Non-Executive Directors including Independent Directors ('IDs')
b) Form B - for Managing Director & CEO
c) Form C - for Chairman
d) Form D - for the Board as a whole
e) Form E - for the Board Level Committees

PROCESS OF PERFORMANCE EVALUATION

The following process is being followed by the Bank for performance evaluation of the Individual Directors, including IDs, Non-IDs, Managing Director & CEO and Chairman, Committees of the Board and the Board as a whole:

- The Committee of Independent Directors ('CoID') evaluates the performance of Non-Independent Directors including Managing Director & CEO, and Chairman of the Bank taking into account the views of Executive Director and Non-Executive Directors and submit its report to the N&RC. The CoID also evaluates the performance of the Board as a whole and submits the report to the Board.
- The Board evaluates the performance of the Independent Directors, excluding the director being evaluated, and submits its report to the N&RC.
- Self Assessment of Performance Evaluation of the Board level committees are done by the respective committees and reported to the Board.
- N&RC reviews the reports of the CoID and Board and accordingly, recommends the appointment/ re-appointment/continuation of Directors to the Board.
- Based on the recommendation of N&RC, Board may take the appropriate action.
- The Board considers the performance evaluation of Board as a whole as per the report of the CoID and also reviews the self assessment of the performance submitted by each of the Board level Committees and take appropriate steps, if deemed necessary.

CRITERIA OF PERFORMANCE EVALUATION

Non-Executive Directors, MD & CEO and Chairman

Qualification and Experience; Attendance at the meetings; Participation and contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Participation; Performance Evaluation and Updation of Knowledge.

Additionally for Independent Directors – Independence of Members is also considered.

In addition to the above criteria, following are the parameters for the performance evaluation of MD & CEO and Chairman:

- Managing Director & CEO
  Performance of the Bank; Recognition and awards to the Bank; and Recognition and awards to the MD & CEO.
- Chairman
  Leadership; Relationships and Communications; Conduct of Meetings; Impartiality; and Resources.

Board as a whole

Process / Policy for Appointment to the Board; Composition and Diversity; Committees of the Board; Board Meetings; Agenda; Discussions at Board Meetings; Cohesiveness of Board decisions; Team Work; Recording of minutes; Board Procedure; Understanding the role and effectiveness; Understanding the Business of the Bank; Stakeholder value and Responsibility; Strategy and Growth; Risk Management and Financial Controls; Foresight to avoid crisis and effectiveness in crisis management; Understanding the regulatory environment; Board's communication; Grievance redressal for Investors; Conflict of Interest; Review of Board evaluation; Board and Management; Succession Planning; and Induction Program.

Board level committees

Composition and Balance of skill sets; Frequency and duration; Overall contribution; Relationships; Communication; Understanding of regulatory environment and developments; Interaction with the board; Independence of the Committee from the Board; Justice to the role of committee; and Procedure.

OUTCOME OF PERFORMANCE EVALUATION:

An annual performance evaluation of the Board, Committees of the Board and the individual members of the Board was conducted in April 2018 as per the aforesaid process and the report on the evaluation were presented at the meeting of the N&RC and the Board of Directors. The Directors expressed their satisfaction with the evaluation process.

The feedback of the Board, post completion of the exercise of performance evaluation of the Board and Committees of the Board were as under:

1. The Board has performed on all the parameters and the Board of the Bank is well balanced in terms of diversity of experience and skill sets to meet the requirements of the Bank, also confirm to the Regulatory requirements.

2. The Board and its Committees were effective in achieving their respective Charters and the members acted with diligence and care.

3. Directors qualified to continue on the Board having understood and discharged their responsibilities and also continue to qualify under the 'Policy on Board Diversity and Fit and Proper criteria and Succession Planning' of the Bank.

B) POLICY ON APPOINTMENT OF DIRECTORS

Your Bank has a Board approved 'Policy on Board Diversity and Fit & Proper Criteria and Succession Planning' ('Fit & Proper Policy') which laid down the process for appointment of Directors including the required skill sets, experience, etc. The Policy covers all the aspects of board composition, skill sets, diversification of board of directors as required under the Companies Act, 2013, Listing Regulations, the Banking Regulations Act, 1949 and other regulatory and business requirements. As per the Fit & Proper Policy of the Bank, your Bank ensures that not less than 51% of the total number of members of the Board of Directors shall have special knowledge or practical experience in (i) accountancy, (ii) agriculture and rural economy, (iii) banking, (iv) co-operation, (v) economics, (vi) finance, (vii) law, (viii) small-scale industry, (ix) Information Technology (x) Payment & Settlement Systems (xi) Human Resources (xii) Risk Management (xiii) Business Management (xiv) any other skill/special knowledge/practical experience as may be specified by RBI from time to time.

PROCESS FOR APPOINTMENT OF DIRECTORS

In terms of the Fit and Proper Policy, N&RC of the Board identifies and scrutinizes the prospective candidates for the position of Director keeping in view the requisite qualifications, expertise, skill sets, track record, etc. relevant to the Banking Business and as per the Statutory requirements and as prescribed under the aforesaid Policy. The N&RC, post assessing the fulfillment of 'fit and proper' criteria by the candidate on the basis of various declarations and disclosures received from the Candidate, makes the recommendation for the appointment of proposed Director to the Board for its approval. The Board thereafter having considered the recommendation of the N&RC, makes its own assessment on the proposal for appointment of Director, basis the business as well as statutory requirements. The Board also recommends the appointment/re-appointment of Directors to the Shareholders for approval, after taking into consideration the results of performance evaluation, and other statutory requirements. The Board also recommends the appointment of Managing Director & CEO and the Part-time Chairman for the approval of RBI.

CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The N&RC while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under

the Companies Act, 2013 and Listing Regulations. Criteria's for the Independence is as under:

An Independent Director is a Director other than a Managing Director or a Whole-time Director or a Nominee Director, who:

(a) is a person of integrity and possesses relevant expertise and experience, in the opinion of the Board of Directors;

(b) is or was not a Promoter of the Company or its holding, subsidiary or associate Company;

(c) is not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;

(d) apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;

(e) none of whose relative, has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year.

(f) neither himself nor any of his relatives —

i. holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed.

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed, of

A. a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or

B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;

iii. holds together with his relatives two percent or more of the total voting power of the Company; or

iv. is a Chief Executive or Director, by whatever name called, of any Non-Profit Organization that receives twenty-five percent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;

v. is a material supplier, service provider or customer or a lessor or lessee of the Company;

(g) is not less than 21 years of age.

(h) Possesses such other qualifications as may be prescribed.

(i) The maximum tenure is two terms of five years each. However, the second term is subject to approval by shareholders by way of special resolution.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 read with Schedule IV and Regulation 16(1)(b) of the Listing Regulations. A formal Letter of Appointment has been addressed to Independent Directors at the time of their appointment. The terms and conditions of appointment of Independent Directors has been disclosed on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

C) REMUNERATION POLICY

The Bank has formulated and adopted a Remuneration Policy for its Directors, Key Managerial Personnel and employees of the Bank, in terms of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, Regulation 19 of the Listing Regulations and Guidelines issued by RBI, in this regard, from time to time.

Remuneration Policy for employees of the Bank

The objective of the Compensation and Benefits Policy of the Bank is to provide a fair and transparent structure that helps in retaining and acquiring the talent pool critical to build competitive advantage and an Employer brand under adequate supervision and control. The Policy of the Bank is aligned to the organizational values aimed at encouraging Professional Entrepreneurship and reinforcing a strong culture promoting meritocracy, performance, potential and prudent risk taking. The Bank's compensation framework is aligned with the performance management system and differentiates pay appropriately amongst its executives based on degree of contribution, skill and availability of talent owing to competitive market forces by taking into account factors such as role, skills, competencies, experience and grade/seniority. Your Bank would also strive to achieve the long-term association with its employees by providing long-term wealth creation opportunities through stock option schemes.

Remuneration Policy for Directors

The Bank has a Board approved Remuneration Policy for Directors including Chairman and is being reviewed on an annual basis. The details of the said policy are as follows:

Remuneration of Executive Directors

The Bank has a Board approved 'Compensation & Benefits Policy' ('C&B Policy') which deals with the Compensation & Benefits of the Managing Director & CEO and the Whole-time Directors. The remuneration of all the Executive Directors shall be governed by the C&B Policy.

The remuneration of the Executive Directors is recommended by the N&RC to the Board for approval after considering the factors prescribed under the C&B Policy. The Board considers the recommendations of N&RC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals.

The remuneration payable to Executive Directors is subject to prior approval of the RBI. Therefore, the remuneration or any revision in remuneration to Executive Directors is payable only after receipt of the approval from RBI.

Remuneration of Chairman

The N&RC recommends the remuneration of the Non-Executive Chairman to the Board which is considered and approved by the Board subject to Shareholders' and regulatory approvals. The N&RC, while recommending the remuneration of the Non-Executive, Part-time Chairman considers the following factors:

(a) Function, Role and Responsibilities of the Chairman,

(b) Comparison with the peer banks,

(c) Industry benchmarking,

(d) Regulatory guidelines as applicable, etc.

The remuneration payable to the Chairman is subject to prior approval of the RBI. Therefore, the remuneration or any revision in remuneration of the Chairman is payable only after receipt of the approval from RBI.

Remuneration of Non-Executive Directors (NEDs)

Sitting Fees & Reimbursement of expenses

The NEDs are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, Listing Regulations and other regulatory/statutory guidelines, as amended from time to time. Any change in sitting fees shall be recommended by the N&RC and approved by the Board of Directors of the Bank. The N&RC considers the following factors while recommending the change in the sitting fees to the Board:

(a) Contribution expected from Directors considering size and complexity of 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 Committees thereof.

The Board while approving the revision in the sitting fees payable to Directors for attending the meeting of the Board and Committees thereof, considers the recommendation of the N&RC.

Payment of Profit-based Commission to NEDs

RBI vide Circular No. DBR. No.BC.97/29.67.001/2014-15 dated June 01, 2015 issued Guidelines on Compensation of Non-Executive Directors of Private Sector Banks. In terms of these guidelines, the Non- Executive Directors of the Bank other than Part-time Chairman may be paid compensation in the form of profit related Commission in addition to the sitting fees.

The N&RC shall recommend the compensation in form of profit-based commission for each of the Non-Executive Director other than Non-Executive Part-time Chairman to the Board, basis the Limits as per regulatory requirements and criteria for payment of profit-based Commission as under:

(a) Outcome of the annual performance evaluation;

(b) attendance and participation of such Non-Executive Director at the Board / Board Committee Meetings;

(c) Comparison with the peer banks;

(d) Industry benchmarking;

(e) Regulatory guidelines as applicable, etc.

The Board, thereafter considering the recommendations of N&RC, may approve the same subject to Shareholders' approval.

The payment of profit-based commission to Non-Executive Directors excluding Part-time Chairman has also been approved by the Shareholders of the Bank at 12th AGM held on June 07, 2016 for each year commencing from April 01, 2015 upto a maximum of Rupees Ten Lakh per NED which is the maximum amount permitted by the RBI and within the overall cap of one per cent (1%) of the net profits of the Bank, as computed in the manner laid down in Section 198 of the Companies Act, 2013.

The Bank does not grant any Stock Options to any Directors of the Bank.

D) DIRECTORS' REMUNERATION

The details of the remuneration paid to the Directors during FY 2017-18 are given below:

(Amount in ₹)

Name of the Director	Salary and Allowances	Perquisites	Others	Sitting Fees	Commission for FY 2016-17$	Total	Commission for FY 2017-18#
EXECUTIVE DIRECTOR							
Mr. Rana Kapoor	40,613,414	9,743,654	3,154,436	-	-	**53,511,504***	-
NON-EXECUTIVE DIRECTORS							
Mr. Ashok Chawla	3,000,000	-	-	2,150,000	-	**5,150,000**	-
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	-	-	-	1,700,000	1,000,000	**2,700,000**	1,000,000
Mr. Vasant Gujarathi	-	-	-	1,750,000	1,000,000	**2,750,000**	1,000,000
Mr. Saurabh Srivastava	-	-	-	1,400,000	750,000	**2,150,000**	1,000,000
Mr. Brahm Dutt	-	-	-	1,900,000	1,000,000	**2,900,000**	1,000,000
Mr. Ajai Kumar	-	-	-	2,750,000	1,000,000	**3,750,000**	1,000,000
Ms. Debjani Ghosh**	-	-	-	550,000	-	**550,000**	750,000
Mr. M. R. Srinivasan^	-	-	-	-	5,00,000	**500,000**	-

$ *Commission pertaining to FY 2016-17 paid during FY 2017-18*

\# *Commission pertaining to FY 2017-18 payable in FY 2018-19*

* *The Shareholders of the Bank at its 11th AGM held on June 06, 2015 had approved the remuneration for the Financial Year beginning from April 01, 2015 with an annual increment of upto a maximum of 20% for every year thereafter during the currency of the term. The Bank has paid the aforesaid remuneration basis the current approval from RBI which is effective from April 01, 2016. The Bank has applied for revision in remuneration from April 01, 2017 and the increment as finally approved by RBI would be paid for FY 2017-18 to the MD & CEO.*

** *Includes ₹150,000 as sitting fees for attending the commitee meetings as invitee*

^ *Mr. M. R. Srinivasan Non-executive Non-independent Director completed his tenure as Director on the Board of the Bank on October 22, 2016 in terms of RBI approval dated March 04, 2015. The Commission pertaining to FY 2016-17 was paid to him during FY 2017-18.*

Notes:

a) The Non-Executive Directors were paid sitting fees of ₹100,000 for attending each meeting of the Board of Directors and ₹50,000 for attending any Committee Meeting of Directors.

b) 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.

c) Commission is paid to the Directors pursuant to the approval of the shareholders' at the Annual General Meeting held on June 07, 2016, for payment of profit based commission from April 01, 2015 onwards and as per the provisions of Companies Act, 2013 and RBI Guidelines.

d) The Bank has not granted any stock options to its Directors.

e) There were no other pecuniary relationships or transactions of non-executive Directors vis-à-vis the Bank (except normal banking transactions).

f) Mr. Ashok Chawla, Non-Executive (Independent) Part-Time Chairman of the Bank was paid remuneration for FY 2017-18, as approved by the shareholders' at the Annual General Meeting held on June 06, 2017 and the Reserve Bank of India.

h) In terms of Reserve Bank of India letter dated January 28, 2016 & March 28, 2018, Mr. Saurabh Srivastava completed his tenure as Director of the Bank on April 22, 2018.

i) Ms. Debjani Ghosh, Independent Director of the Bank has resigned from the office of the Director on April 26, 2018, with immediate effect due to her pre-occupation with full time engagement as President of NASSCOM.

E) FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

Your Bank had conducted various sessions during the financial year to familiarize Independent and other Directors of the Bank to enable them to familiarize with the Bank, its management, their roles, rights, responsibilities in the Bank, nature of the Banking Industry, Business Model, Risk Management System and Technology Architecture of the Bank for the purpose of contributing significantly towards the growth of the Bank.

In compliance with the requirement of the Listing Regulations, the Bank has been conducting familiarization programmes for Independent Directors. The said programmes aims to provide to familiarize the newly appointed Director of the Bank, with the nature of the industry in which the Bank operates, Strategic Objectives of the Bank, Business Model of the Bank etc. so as to help them contribute significantly during the deliberations in the Board/ Committee meetings. Further, the Bank has also organized programs to update the Directors about the Reserve Bank of India's Supervisory Framework named as Supervisory Program on Assessment of Risk & Capital (SPARC) under the Risk Based Supervisions (RBS) being conducted for the Bank annually and presentation on Information Security/ Cyber Security Awareness.

During the year, the Directors attended/received trainings being organized by various Regulators/ Bodies/ Institutions on the latest trend in IT Strategy, Cyber Security and HR development in IT, recent regulatory developments, Financial Markets & Role of Treasury, Risk in IT Environment, Compliance, Business Strategy, Risk, Governance issues, etc. The details of such familiarization programs are displayed on the website of the Bank and the web link thereto is https://www.yesbank.in/about-us/corporate-governance.

F) INFORMATION SUPPLIED / AVAILABLE TO THE BOARD

The directors are presented with important/critical information on the operations of the Bank as well as that which requires deliberations at the highest level. The Board has complete access to all the relevant information within the Bank and also access to the Top Management of the Bank and any additional information to make informed and timely decisions. All Board and Committee meetings are governed by structured agenda notes which are backed by comprehensive background along with relevant annexures.

Since 2016, as a part of green initiative by the Bank, all relevant agenda papers pertaining to the Board/ Committee are being circulated well in advance to the Board of Directors through web-based portal to facilitate easy access of agenda on IPad which would provide sufficient time to the Board for reading and understanding the proposals placed in a meeting.

The Board was presented with the information on various important matters of operations, risk management and business, new initiatives in business, budgets, financial results, update on Corporate Social Responsibility activities, minutes of Board and Committees of the Board, appointment and remuneration of the Senior Management, appointment/cessation of Key Managerial Personnel, details of joint ventures or collaborations, if any, information on subsidiaries, sale of investments, assets which are material in nature and not in the normal course of business, foreign exposure and non-compliance, if any with regulatory or statutory guidelines or in the Listing Regulations, etc., and other matters which are required to be placed before the Board in terms of the Companies Act, 2013, Listing Regulations, Theme Based Review agenda as prescribed by RBI, etc. The Board and other Committees also approve various business proposals and regulatory approvals through circulations.

G) POST MEETING COMMUNICATION / FOLLOW UP SYSTEM

The Bank has an effective post meeting follow up procedure. The Bank has a mechanism to track important decisions taken at the Board/Committee meetings till the closure of such decisions and a

report on ongoing actionables (Action Taken Report) are being placed before the meeting of the Board/ Committees of the Board from time to time. Action Taken Report on the decisions taken in a meeting is placed at the succeeding meeting(s) of the Board/ Board Level Committees.

H) SUCCESSION PLANNING

The Bank believes that a sound Succession Plan for the Directors and Senior Management executives is important for creating a robust leadership pipeline for the Bank. Accordingly, the Bank has put in place the policies for Succession Planning of Directors and Senior Management executives.

III BOARD MEETINGS

The Board of Directors of the Bank has decided to conduct atleast Six meetings in a year instead of minimum Four quarterly meetings as a good governance practice. Accordingly, Eight Board Meetings were held during the Financial Year ended March 31, 2018 i.e. April 19, 2017, April 20, 2017, May 09, 2017 (Business Strategy Meeting), June 06, 2017, July 26, 2017, October 26, 2017, November 29, 2017 and January 18, 2018 . 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 Annual General Meeting (AGM), number of other Directorships and Committee membership(s)/chairmanship(s) of each Director as on March 31, 2018 are as under:

Name of the Director	Category	DIN Nos.	No. of Board meetings held	No. of Board meetings attended	Attendance at AGM held on June 06, 2017	Number of other Directorships		Number of Committee memberships (Chairmanship) in other companies[2]
						Of Indian Public Limited Companies	Of other Companies[1]	
Mr. Rana Kapoor	Promoter, MD & CEO	00320702	8	8	Yes	2	-	-
Mr. Ashok Chawla	Non-Executive (Independent) Part-time Chairman	00056133	8	8	Yes	2	-	2(1)
Mr. Saurabh Srivastava*	Independent Director	00380453	8	6	No	5	5	4(1)
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	05155598	8	8	Yes	1	-	1
Mr. Brahm Dutt	Independent Director	05308908	8	8	Yes	1	-	1(1)
Mr. Vasant Gujarathi	Independent Director	06863505	8	8	Yes	1	-	1(1)
Mr. Ajai Kumar	Non-Executive, Non-Independent Director	02446976	8	8	Yes	4	-	3(1)
Ms. Debjani Ghosh** *(Appointed w.e.f. May 15, 2017)*	Independent Director	07820695	5	4	Yes	-	-	-

* *In terms of Reserve Bank of India letter dated January 28, 2016 & March 28, 2018, Mr. Saurabh Srivastava completed his tenure as Director of the Bank on April 22, 2018.*

** *Ms. Debjani Ghosh, Independent Director of the Bank has resigned from the office of the Director on April 26, 2018 with immediate effect due to her preoccupation with full time engagement as President of NASSCOM.*

[1] *Includes directorship held in Foreign Companies, Private Limited Companies and Section 8 Companies in India.*

[2] *Includes memberships of Audit Committee and Stakeholders Relationship Committee of all Indian Public Limited Companies; figures in brackets indicate number of Committee Chairmanships, as per Regulation 26 of the Listing Regulations.*

Notes:

(a) None of the Directors of the Bank were members of more than 10 committees or acted as Chairman of more than 5 committees across all Public Limited Companies in which they were Directors in terms of Regulation 26 of the Listing Regulations.

(b) None of the Directors held directorship in more than 10 Public Limited Companies.

(c) None of the Directors were related to any Director or were a member of an extended family.

(d) None of the Independent Directors of the Bank served as Independent Director in more than 7 listed companies.

(e) Mr. Rana Kapoor, MD & CEO, was not an Independent Director of any other listed company.

IV BOARD COMMITTEES

The Board has constituted various Committees of Directors to monitor the activities in accordance with Board approved terms of reference. The Board Committees focus on specific areas and take informed decisions on the specific businesses assigned to them in the best interest of the Bank. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Company Secretary adheres to all the applicable laws and regulations for conducting the meeting of the Committees as adhered to the Board meetings. Some of the Committees of the Board were reconstituted to align with the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and to meet the business requirements during the year under review.

The terms of reference of the Board Committees are reviewed from time to time atleast annually to align the same with the regulatory/business requirements.

The Bank has twelve Board Committees as on March 31, 2018, which are briefly described below.

1) AUDIT COMMITTEE

Terms of Reference:

The terms of reference include:

i. To provide directions and oversee the operation of the total audit function in the Bank (internal as well as external) and issue whenever necessary suitable directions and timely completion of audit plans;

ii. To create an open avenue for communication between the Board of Directors, Internal Auditors and the Statutory Auditors;

iii. To recommend the appointment including terms of appointment and removal of Statutory, Internal and Secretarial Auditors, fixation of audit fees and also to approve payment for other services;

iv. To review and monitor the adequacy of the internal control environment and Risk Management System, adequacy of checks and balances including Management Information Systems (MIS);

v. To review and monitor the independence and adequacy of internal audit function, its policies, its structure viz. staffing and seniority of the official heading the department, coverage and frequency of internal audits;

vi. To appoint and determine the scope of the Concurrent auditors;

vii. To discuss and review with the Internal and Concurrent Auditors, their reports/ findings with an objective of reporting any significant/material findings to the Board;

viii. To discuss with statutory auditors, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern w.r.t. financial statements and the Internal Financial Controls;

ix. To review the results / financial statements (quarterly, half-yearly, annual) standalone as well as consolidated along with the Auditors' report thereon and analyze performance of the Bank, along with the Management and recommend the same to the Board with primary focus on:

(a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013 and rules made thereunder;

(b) accounting policies and practices and changes, if any, with reasons for the same;

(c) compliance with accounting standards;

(d) major accounting entries involving estimates based on the exercise of judgment by management;

(e) significant adjustments made in the financial statements arising out of audit findings;

(f) compliance with listing and other legal requirements relating to financial statements;

(g) disclosure of any related party transactions;

(h) qualifications in the draft audit report, if any;

x. To review Annual Tax Audit statement and auditors' report thereon;

xi. To review Annual Long Form Audit Report as prepared by the Statutory Auditors along with Management response;

xii. To review the information in respect of legal audits of title deeds and other documents for credit exposure of ₹50 MM and above;

xiii. To review and approve related party transactions;

xiv. To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) including statement of deviation, if any, and making appropriate recommendations to the Board to take up steps in this matter;

xv. To approve and recommend to the Board the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

xvi. To review the Whistle blower policy and Vigil Mechanism for Directors and Employees;

xvii. To review and monitor compliance function, its policies and Implementation of Compliance Frameworks of the Bank;

xviii. Review of compliance in respect of the report on the RBS conducted by RBI;

xix. Review of compliance on directives issued by ACB / Board / RBI;

xx. To institute special investigation teams with complete access to all records, information and personnel of the Bank, if necessary;

xxi. To review the cases of Frauds including the attempted frauds, along with supplementary material analyzing statistical information and details of each fraud;

xxii. To review the functioning of Fraud Investigation Unit and approve the changes to the Fraud Control Policy;

xxiii. To review the minutes of the quarterly FASCOM, Apex Management Committee and Staff Accountability Committee meetings;

xxiv. To investigate into any matter in relation to the items specified or referred to it by the Board and for the said purpose shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Bank;

xxv. 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 2017-18 i.e. on April 18, 2017, July 25, 2017, August 24, 2017, October 25, 2017, January 17, 2018 and February 27, 2018 and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee. The Statutory Auditors and the Internal Auditors are permanent invitees to the meetings of the Audit Committee. The Composition of the Audit Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Vasant Gujarathi , Chairman	Independent Director	6	6
Mr. Brahm Dutt	Independent Director	6	6
Mr. Ashok Chawla	Independent Director	6	6
Mr. Saurabh Srivastava	Independent Director	6	6
Mr. Ajai Kumar	Non-Executive Non-Independent Director	6	6

Chairman – ID and Composition – 80% IDs

Note: *Due to business exigencies, three resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.*

All members of the Audit Committee are financially literate and Chairman of the Committee have accounting and financial management expertise. The Chairman of the Audit Committee was present at the last Annual General Meeting.

Mr. Shivanand R. Shettigar, Company Secretary, acts as the Secretary to the Audit Committee.

2) RISK MONITORING COMMITTEE

Terms of Reference:

The terms of reference include:

i. Promote prudent Risk Culture in the Bank and integrate risk management into the Bank's goals and compensation structure;

ii. Assess that the Risk universe for the Bank has been adequately identified. Monitor risk profile of the Bank (including credit risk, market risk, liquidity risk, IRRBB, operational risk, model risk, reputation risk, information security risk, cyber security related risk, etc.) within the Board approved overall Risk Appetite of the Bank as outlined in the ICAAP document;

iii. Evaluate the adequacy of the risk management function, the qualifications and background of senior risk officials and review the adequacy of the staffing of the Risk Management function to perform its role appropriately;

iv. Oversee the Bank's Enterprise Risk Management framework, covering risk identification, measurement, monitoring and mitigation;

v. Review, approve and recommend for the Board risk management policies, processes & risk management framework. Review and assess the effectiveness of the policies, processes and framework, address deficiencies and recommend improvements;

vi. Review, assess and approve setting up of Bank's Risk Appetite and limits. Monitor compliance of risk limits and recommend appropriate actions in cases of breaches;

vii. Review, assess and approve setting up of stress testing scenarios as well as review breaches therein; suggest remedial actions if any;

viii. Monitoring compliance as well as critically analyzing various risk parameters and providing direction for corrective action wherever necessary;

ix. Review of the Bank's portfolio and providing necessary guidance to Management;

x. To review the minutes of Executive level Committees such as Asset Liability Committee (ALCO), Operational Risk Management Committee (ORMC), Outsourcing Management Committee (OMC), Security Council Meeting, Reputational Risk Management Committee (RRMC), Enterprise Risk and Capital Committee (ERCC), Model Assessment Committee (MAC) and any other risk related committees;

xi. To perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or Board of Directors of the Bank or under any applicable laws as may be prescribed from time to time.

Six Risk Monitoring Committee meetings were held during the FY 2017-18 i.e. on April 18, 2017, July 25, 2017, August 24, 2017, October 25, 2017, January 17, 2018 and February 27, 2018. The Composition of the Risk Monitoring Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held[@]	No. of Meetings attended
Mr. Ajai Kumar, Chairman	Non-Executive Non- Independent Director	6	6
Mr. Rana Kapoor, Vice Chairman	MD & CEO	6	5
Mr. Brahm Dutt	Independent Director	6	6
Mr. Ashok Chawla	Independent Director	6	6
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.) *(Inducted as member w.e.f. January 18, 2018)*	Independent Director	1	-

Chairman – NID and Composition – 60% IDs

[@] *Number of meetings held during the tenure of the Director as a member/Chairman of the Committee*

3) NOMINATION & REMUNERATION COMMITTEE

Terms of Reference:

The terms of reference include:

i. To review the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;

ii. To examine the qualification, knowledge, skill sets and experience of each director vis-a-vis the Bank's requirements and their effectiveness to the Board on a yearly basis and accordingly recommend to the Board for the induction of new Directors;

iii. To review:

(a) the composition of the existing Committees of the Board and to examine annually whether there is any need to have a special committee of directors to meet the business requirements of the Bank and accordingly recommend to the Board for formation of a special committee.

(b) Review the Terms of Reference of the Board Level Committees and recommend the changes therein, if any, to the Board;

iv. To scrutinise nominations for Independent/ Non-Executive Directors with reference to their qualifications and experience and making recommendations to the Board for appointment/filling of vacancies;

v. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

vi. To formulate criteria for evaluation of performance of independent directors and the board of directors;

vii. To carry out evaluation of every director's performance;

viii. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

ix. To validate 'fit and proper' status of all Directors on the Board of the Bank in terms of the Guidelines issued by the RBI or other regulatory authorities;

x. To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;

xi. To implement policies and processes relating to Corporate Governance principles;

xii. To formulate the criteria for determining qualifications, positive attributes and independence of a director;

xiii. To devise a Policy on Board diversity;

xiv. To recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees including performance/achievement bonus, perquisites, retirals, sitting fee, etc.;

xv. 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;

xvi. To ensure the following while formulating the policy on the aforesaid matters:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to Whole-time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the Company and its goals.

xvii. To consider grant of Stock Options to employees including employees of subsidiaries and administer and supervise the Employee Stock Option Plans;

xviii. To function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is authorized to allot shares pursuant to exercise of Stock Options by employees;

xix. To review the Human Capital Capacity Planning on annual basis;

xx. To review the list of risk takers on annual basis;

xxi. To review the HCM Policies and provide suitable guidance for additions/ modification/ deletions, if any;

xxii. To review the Succession Planning; and

xxiii. To perform any other functions or duties as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Four Nomination & Remuneration Committee meetings were held during FY 2017-18 i.e. on April 18, 2017, July 25, 2017, October 25, 2017 and January 17, 2018. The Composition of the N&RC and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Brahm Dutt, Chairman	Independent Director	4	4
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	4	4
Mr. Ajai Kumar	Non-Executive Non-Independent Director	4	4

Chairman – ID and Composition – 67% IDs

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

4) BOARD CREDIT COMMITTEE

Terms of Reference:

The terms of reference include:

i. To approve credit proposals that are beyond the approval authority of the Management Credit Committee (MCC), as outlined in the Credit Policy;

ii. To approve any other aspects of credit proposals as outlined in the Credit Policy;

iii. To approve Investment proposals beyond limits/thresholds delegated to Investment and Financial Markets Management Committee (IFMMC) vide Board approved Investment Policy;

iv. To review specific cases that might need special attention as and when recommended by MCC / IFMMC;

v. To review status of accounts approved by BCC and MCC and any other credit related information as may be required from time to time.

vi. To review the minutes of MCC/ IFMMC; and

vii. To perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or Board of Directors of the Bank or under any applicable laws, as may be prescribed from time to time.

Ten Board Credit Committee meetings were held during the FY 2017-18 i.e. on April 18, 2017, May 09, 2017, June 06, 2017, July 25, 2017, August 24, 2017, September 27, 2017, October 25, 2017, November 29, 2017, January 17, 2018 and February 27, 2018.The Composition of the Board Credit Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held[@]	No. of Meetings attended
Mr. Ajai Kumar, Chairman	Non-Executive Non-Independent Director	10	10
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	10	9
Mr. Ashok Chawla	Independent Director	10	10
Mr. Brahm Dutt *(Inducted as member w.e.f.. January 18, 2018)*	Independent Director	1	1

Chairman – NID and Composition – 75% IDs

[@] Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent Committee meetings.

5) STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The terms of reference include:

i. To review and redress complaints from various security holders such as shareholders, debenture holders and any other security holders such as non receipt of dividend, non-receipt of interest on debentures, annual report, transfer of shares or debentures, issue of duplicate share / debenture certificates, etc.;

ii. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities issued by the Bank;

iii. 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;

iv. To apprise of Key highlights/ developments pertaining to various Stakeholders including Equity Investors, debenture holders, multilateral lenders, rating agencies; etc.;

v. To review the engagements with various stakeholders (mentioned above) including communication and feedback. Further, recommend steps for improving engagement with the stakeholder;

vi. To review Bank's perception amongst stakeholders and provide recommendation for enhancement of the same; and

vii. To perform any other functions, duties as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority or under any applicable laws, as amended from time to time.

Mr. Shivanand R. Shettigar, Company Secretary also acts as the Compliance Officer of the Bank.

Two Stakeholders Relationship Committee meetings were held during FY 2017-18 i.e. on July 25, 2017 and February 27, 2018. The Composition of the Stakeholders Relationship Committee and details of Members participation at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Ashok Chawla, Chairman	Independent Director	2	2
Mr. Saurabh Srivastava	Independent Director	2	2

Chairman – ID and Composition – 100% IDs

Note: Due to business exigencies, two resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

There were 2 open complaints at the beginning of the year and 899 complaints were received from the investors / shareholders during the year, out of which 897 complaints have been attended to and resolved and 4 complaints were unresolved as on March 31, 2018.

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference:

The terms of reference include:

i. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013;

ii. To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy to the Board in accordance with the provisions of the Companies Act, 2013 and rules made thereunder;

iii. To monitor the CSR Policy of the Bank from time to time;

iv. To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Bank;

v. To consider and recommend the Annual CSR Report to the Board for approval; and

vi. To perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

Two Corporate Social Responsibility Committee meetings were held during FY 2017-18 i.e. on April 18, 2017 and October 25, 2017. The Composition of the Corporate Social Responsibility Committee and details of participation of the Members at the Meeting of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Ashok Chawla, Chairman	Independent Director	2	2
Mr. Rana Kapoor	MD & CEO	2	2
Mr. Brahm Dutt	Independent Director	2	2

Chairman – ID and Composition – 67% IDs

7) SERVICE EXCELLENCE, BRANDING AND MARKETING COMMITTEE

Terms of Reference:

The terms of reference include:

i. Review product approval process with a view to suitability and appropriateness;

ii. Formulation and review of comprehensive deposit policy;

iii. Review of customer feedback gathered through annual customer satisfaction survey of depositors and other customers and suggest action for improvement;

iv. Review of measures taken for enhancing the quality of customer service;

v. Review the findings of tri-enniel audit on customer service;

vi. Review of branding, marketing and customer engagement activities of the bank;

vii. Review of activities undertaken to promote digital payments;

viii. Update on the Agenda, Minutes and Actionable of 'Standing Committee of Customer Service'; and

ix. To perform any other acts, duties as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges and any other regulatory authority, as prescribed from time to time.

Two Service Excellence, Branding and Marketing Committee meetings were held during FY 2017-18 i.e. on August 24, 2017 and February 27, 2018. The Composition of the Service Excellence, Branding and Marketing Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Lt. Gen (Dr.) Mukesh Sabharwal (Retd.), Chairman	Independent Director	2	1
Mr. Rana Kapoor	MD & CEO	2	2
Mr. Saurabh Srivastava	Independent Director	2	2
Mr. Brahm Dutt	Independent Director	2	2
Mr. Ajai Kumar	Non-Executive Non-Independent Director	2	2

Chairman – ID and Composition – 60% IDs

Note: Ms. Debjani Ghosh, Independent Director attended one meeting as invitee.

8) IT STRATEGY COMMITTEE

Terms of Reference:

The terms of reference include:

i. To perform oversight functions over the IT Steering Committee (at a senior management level);

ii. To investigate activities within this scope;

iii. To seek information from any employee;

iv. To obtain outside legal or professional advice;

v. To secure attendance of outsiders with relevant expertise, if it considers necessary;

vi. To work in partnership with other Board committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies;

vii. To approve IT strategy and policy documents;

viii. To review that the management has put an effective strategic planning process in place;

ix. To ratify the IT strategy in alignment with the business strategy;

x. To provide guidance on the IT organizational structure to complements the business model;

xi. To review whether the management has implemented processes and practices that ensure that the IT delivers value to the business;

xii. To review that IT investments represent a balance of risks and benefits and that budgets are acceptable;

xiii. 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;

xiv. To review whether there is a proper balance of IT investments for sustaining bank's growth;

xv. To become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks;

xvi. To assess Senior Management's performance in implementing IT strategies;

xvii. To issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);

xviii. To confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;

xix. 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;

xx. To review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value);

xxi. To approve the Cyber Security Policy and Cyber Crisis Management Plan;

xxii. To be aware of the global cyber security threat landscape and provide guidance on its applicability to the Bank;

xxiii. To review the implementation of cyber security tools and processes in line with the approved policies and regulatory directives.

xxiv. To perform any other functions or duties as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Five meetings of the IT Strategy Committee were held during the FY 2017-18 i.e. on April 18, 2017, July 25, 2017, October 25, 2017, January 17, 2018 and February 27, 2018. The Composition of the IT Strategy Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

164.492 pt	Category	No. of Meetings held	No. of Meetings attended
Mr. Saurabh Srivastava, Chairman	Independent Director	5	5
Mr. Vasant Gujarathi	Independent Director	5	5
Mr. Ajai Kumar	Non-Executive Non-Independent Director	5	5

Chairman– ID and Composition – 67% IDs

Note: Ms. Debjani Ghosh, Independent Director attended two meetings as invitee.

9) FRAUD MONITORING COMMITTEE

Terms of Reference:

The terms of reference include:

i. To monitor and review in detail all frauds in excess of ₹1 crore;

ii. To identify the systematic lacunae, if any, that facilitate perpetration of the fraud and put in place measures to plug the same;

iii. To identify reasons for delay in detection and reporting of frauds to the Reserve Bank of India/SFIO, etc.;

iv. To monitor progress of the investigations in respect of the cases referred to the Central Bureau of Investigation/ Police investigation, and recovery position thereof;

v. To 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;

vi. To review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal control environment;

vii. To review the report on the Red Flag Accounts (RFA) which shall include the synopsis of the remedial action taken together with their current status; and

viii. To perform any other act, duties as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority, as prescribed from time to time.

Two Fraud Monitoring Committee meetings were held during the FY 2017-18 i.e. on August 24, 2017 and October 25, 2017. The Composition of the Fraud Monitoring Committee and details of participation of the Members at the Meetings of the Committee held during the year were as under:

Name of the Member	Category	No. of Meetings held@	No. of Meetings attended
Mr. Rana Kapoor, Chairman	MD & CEO	2	1
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	2	2
Mr. Vasant Gujarathi	Independent Director	2	2
Mr. Ajai Kumar	Non-Executive Non-Independent Director	2	2
Mr. Brahm Dutt *(Inducted as member w.e.f. January 18 ,2018)*	Independent Director	-	-

Chairman– MD & CEO and Composition – 60% IDs

@ Number of meetings held during the tenure of the Director as a member/Chairman of the Committee

10) CAPITAL RAISING COMMITTEE

Terms of Reference:

The terms of reference include:

i. To analyze various options for infusion of capital and funds by issue of various securities including equity shares, preference shares, debentures, bonds, BASEL III compliant Tier I & Tier II Instruments, other debt securities, etc.;

ii. To approve issue of securities in one or more tranches to various potential Investors within the overall limit as approved by the Board/Shareholders and determine price/ price range for the securities;

iii. To engage/appoint the issue management and issue related agencies;

iv. To incur necessary expenditure relating to capital and fund raising exercise;

v. To perform all activities with regard to fund raising by various methods/means/ options under the authority of Board and Shareholders; and

vi. To do all such acts, deeds as the Board may delegate in connection with the capital and fund raising exercise.

The Capital Raising Committee met thrice during the FY 2017-18 on July 25, 2017, November 29, 2017 and February 02, 2018. The Composition of the Capital Raising Committee and details of participation of the Members at the Meeting of the Committee held during the year was as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rana Kapoor, Chairman*	MD & CEO	3	3
Mr. Vasant Gujarathi	Independent Director	3	3
Mr. Ajai Kumar	Non-Executive Non-Independent Director	3	3

Chairman– MD & CEO and Composition – 33% IDs

** Mr. Rana Kapoor participated in a meeting held on February 02, 2018 through Audio Conferencing.*

Note: Due to business exigencies, several resolutions were passed through Circulation and the said resolutions have been noted at the subsequent committee meetings.

11) BOARD COMMITTEE ON WILLFUL DEFAULTERS & NON CO-OPERATIVE BORROWERS

Terms of Reference:

The terms of reference include:

i. To review and confirm the order of the Committee for Classification of borrowers as 'Non Co-operative Borrowers' or 'Wilful Defaulter';

ii. To review the status of 'Non-Cooperative Borrowers' or 'Wilful Defaulters' at least on half yearly or at such other intervals as may be required by RBI;

iii. To decide on removal of the names from the list of 'Non Co-operative Borrowers' or 'Wilful Defaulters' as reported to Central Repository of Information of Large Credits (CRILC); and

iv. To review, note and decide on any matter pertaining to 'Non Co-operative Borrowers' or 'Wilful Defaulters'.

The Board Committee on Willful Defaulters and Non Co-operative Borrowers met once during the FY 2017-18 on April 18, 2017. The Composition of the said Committee and details of participation of the Members at the Meeting of the Committee held during the year was as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Rana Kapoor, Chairman	MD & CEO	1	1
Mr. Vasant Gujarathi	Independent Director	1	1
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.)	Independent Director	1	1
Mr. Ajai Kumar *(Ceased to be a member w.e.f. January 18, 2018)*	Non-Executive Non-Independent Director	1	1

Chairman– MD & CEO and Composition – 67% IDs

12) COMMITTEE OF INDEPENDENT DIRECTORS

Terms of Reference:

The terms of reference include:

i. To review the performance of non-independent directors and the Board as a whole;

ii. To review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

iii. To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

iv. To submit its report as above to Nomination & Remuneration Committee and the Board of Directors, as the case may be; and

v. To perform such other roles as may be prescribed by the Companies Act, 2013, Listing Regulations, Banking Regulation Act, 1949 and the Circulars/Regulations issued by the Regulatory Authorities from time to time.

The Committee of Independent Directors met once during the FY 2017-18 on April 18, 2017. The Composition of the Committee of Independent Directors and details of participation of the Members at the Meeting of the Committee held during the year was as under:

Name of the Member	Category	No. of Meetings held@	No. of Meetings attended
Lt. Gen. (Dr.) Mukesh Sabharwal (Retd.), Chairman	Independent Director	1	1
Mr. Vasant Gujarathi	Independent Director	1	1
Mr. Saurabh Srivastava	Independent Director	1	1
Mr. Brahm Dutt	Independent Director	1	1
Mr. Ashok Chawla	Independent Director	1	1
Ms. Debjani Ghosh*	Independent Director	-	-

@ *Number of meetings held during the tenure of the Director as a member/Chairman of the Committee*

* *Ms. Debjani Ghosh, Independent Director became a member w.e.f. June 06, 2017*

V DISCLOSURES

A) SUBSIDIARY COMPANIES

The Bank did not have any material subsidiary having investment of the Bank during the financial year 2017-18. The Bank has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations and the same is displayed on the website of the Bank https://www.yesbank.in/about-us/corporate-governance.

The Bank has three subsidiaries as of March 31, 2018 viz., YES Securities (India) Limited ('YSIL'), YES Asset Management (India) Limited ('YAMIL') and YES Trustee Limited ('YTL') and the Audited Annual Financial Statements of all the subsidiaries have been provided to the Audit Committee of the Board of the Bank. Further, the minutes of the meetings of the Board of subsidiary companies of the Bank are placed in the meetings of the Board of Directors of the Bank for review. Statement of significant transactions/arrangements entered into by the unlisted subsidiary companies of the Bank are also tabled at the meetings of the Board of Directors of the Bank, for its review.

B) RELATED PARTY TRANSACTIONS

There were no materially significant transactions with related parties including promoters, directors, key managerial personnel, subsidiaries or relatives of the Directors during the financial year which could lead to a potential conflict with the interest between the Bank and these parties. The details of the transactions with related parties, if any, were placed before the Audit Committee from time to time. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Bank, nor were there any transactions with related parties, which were not on arm's length basis. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The same is displayed on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

C) MD & CEO / CFO CERTIFICATION

The MD & CEO and the Chief Financial Officer ('CFO') have issued certificate pursuant to the provisions of Regulation 17 of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. They also certify that, to the best of their knowledge and belief, no transactions entered into during the year were fraudulent, illegal or violative of the code of conduct of the Bank, they are responsible for establishment and maintenance of the Internal Financial Controls for financial reporting and they have indicated to the auditors and the Audit Committee about any significant changes in internal control over financial reporting, significant changes in the accounting policies and instances of significant frauds, if any, which they were aware. The said certificate is annexed and forms part of this Annual Report.

D) CODE OF CONDUCT AND ETHICS

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code has been reviewed and approved by the Board at its meeting held on April 26, 2018 and has been hosted on the website of the Bank at https://www.yesbank.in/about-us/corporate-governance.

The confirmation from the Managing Director & CEO of the Bank regarding compliance with the Code of Conduct and Ethics by all the Directors and Senior Management is annexed and forms part of this Report.

E) CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Bank has formulated 'Code of Conduct for Prevention of Insider Trading' (the 'Code') and 'Code of Internal Procedures and Conduct for Prevention of Insider Trading in Securities of the Bank' in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013 applicable to all Promoters, Directors, KMPs, and Employees of the Bank and its Subsidiaries and their Immediate Relatives, and 'Connected Persons' with a view to regulate trading in securities of the Bank.

The Code requires Designated Employees to obtain pre-clearance for trading in the Bank's securities beyond threshold limits during the calendar quarter and also prohibits them from entering into any Contra Trade transactions. Further, it prohibits trading in Banks securities viz., Buy, Sale or Pledge of Securities, etc. by the Directors, KMPs, Connected Persons and the Designated Employees of the Bank and its subsidiaries while in possession of or having access to the Unpublished Price Sensitive Information (UPSI) and also during the Trading Window closure period.

The Company Secretary of the Bank acts as 'Compliance Officer' in terms of the said Code and is responsible for implementation and overseeing compliance with the Code of Conduct across the Bank.

The Bank has procured a software viz., YES Vigilante which facilitates employees in reporting of transactions in securities of the Bank from time to time, and also the Compliance Officer in periodically monitoring of transactions done by Insiders and to ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. YES Vigilante allows employees to submit online disclosures pertaining to transactions in the securities of the Bank i.e. submission of initial and continual disclosures and obtaining of pre-clearances by the Designated Employees.

The Bank has also put in place a code of conduct for employees of the certain departments for trading in securities of other listed entities or to be listed entities ('Grey List Entities') as the respective departments may have unpublished price sensitive information of Grey List entities due to Business Relationship, Exposures, etc.

F) WHISTLE BLOWER POLICY

In compliance with the provisions of Listing Regulations, the Companies Act, 2013 and other applicable laws and in accordance with principles of good corporate governance, the Bank has devised and implemented a vigil mechanism, in the form of 'Whistle Blower Policy'. The policy devised is also aligned to the recommendations of Protected Disclosure Scheme for Private Sector Banks and Foreign Banks, instituted by RBI.

This policy enables a Whistle Blower to raise concerns relating to reportable matters (as elucidated in the said policy) such as breach of Bank's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/misappropriation of bank funds/assets, etc., without fear of reprisals and to provide for independent investigation. The framework of the policy endeavors to simplify and smoothen the process for Whistle Blower and foster responsible reporting, a Whistle Blower cannot resort to the Whistle Blower Policy to report his/her personal grievances.

The policy has been implemented through a web-based 'Corporate Whistle Blower Initiative' (CWI) portal, which is an independent online reporting service aimed at facilitating secure and anonymous communication between the Bank and Whistle Blower.

The policy has provisions to safeguard Whistle Blower against victimization. As a responsible and vigilant organization, the Bank encourages

responsible and fearless reporting of genuine concerns or grievances and also provides for direct access to the Chairman of the Audit Committee of the Board, in exceptional cases.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee of the Board regularly. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are available on the website of the Bank https://www.yesbank.in/about-us/corporate-governance.

G) DIVIDEND DISTRIBUTION POLICY

In terms of the provisions of Regulation 43A of the Listing Regulations, the Board of Directors of the Bank had approved the Dividend Distribution Policy in line with the parameters prescribed thereunder for payment / distribution of dividend to the shareholders. The said Policy has been hosted on the Bank's website under Corporate Governance Section and can be accessed at the link https://www.yesbank.in/about-us/corporate-governance.

It may be noted that the said policy was uploaded on the website of the Bank in the FY 2016-17, however, inadvertently, the link for the same was not given in the Annual Report of the Bank for FY 2016-17. Hence, the above link may be considered as 'Addendum' to the Annual Report of the Bank for FY 2016-17.

H) INTEGRATED REPORTING

SEBI issued a circular dated February 6, 2017 on 'Integrated Reporting by Listed Entities' advising top-500 listed entities, which are required to prepare Business Responsibility Report, to adopt Integrated Reporting ('IR') on a voluntary basis from the FY 2017-18 onwards. As a frontrunner in mainstreaming triple bottom line reporting, your Bank was India's 1st Bank to release its annual report in line with International Integrated Reporting Council's Integrated Reporting (IR) guidelines with Annual Report FY 2015-16. Your Bank continues to publish its annual report in line with IR guidelines for FY 2017-18. Additionally, the Bank's Sustainability Report since FY 2015-16 is in alignment with IR guidelines, while adhering to globally accepted sustainability reporting guidelines by Global Reporting Initiative ('GRI'). The Bank's Sustainability Report is hosted on the Bank's website at https://www.yesbank.in/about-us/investor-relations/yes-bank-sustainability-report.

I) STRICTURES AND PENALTIES

During the last three years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market.

J) HUMAN RIGHTS – BEST PRACTICES

YES BANK recognizes the valuable role that business can play in the protection of human rights and is committed to respect and support the dignity, well-being and human rights of all stakeholders in line with internationally recognized frameworks. YES BANK is committed to developing a culture which inculcates respect & support for Human Rights. YES BANK is the first Indian banking sector signatory to UN Global Compact. The Bank continues to abide by the 10 Principles of the Compact covering four major dimensions: human rights, labour, environment and anti-corruption, and uses them as the foundation for building its sustainable practices within the Bank's operation.

K) GREEN INITIATIVE IN CORPORATE GOVERNANCE

Your Bank has promoted the 'Green Initiative' proposed by the Ministry of Corporate Affairs and the Bank has been effecting the electronic delivery of Notice of Annual General Meeting and Annual Report to the shareholders whose Email IDs are registered with the respective Depository Participant(s). The Companies Act, 2013 and Rules thereunder and Listing Regulations provide for circulation of Financial Statements electronically to the shareholders.

Your Bank has initiated and implemented successfully the process of conducting the Board and Committee meetings using Ipads based e-meeting application and web based meeting tool, paperless form. This initiative of the Bank has resulted in considerable saving on paper and expenditure.

Your Bank has also implemented electronic platform for reporting of transactions in securities of the Bank in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct for Prevention of Insider Trading.

Shareholders have been requested on several occasions to update their e-mail IDs with their Depository Participant(s) to help accelerate the Bank's migration to paperless compliances.

L) COMPLIANCE WITH MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS

The Board of Directors quarterly reviews the compliance of all applicable laws. Your Bank has compliance framework for adherence to the mandatory requirements of Corporate Governance norms as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Bank. Your Bank has obtained certificate affirming the Compliances with these regulations from M/s. Mehta & Mehta, Company Secretaries and forms part of this Report. It may be noted that M/s. Mehta & Mehta in their said certificate has confirmed that the Bank has complied with the conditions of Corporate Governance as prescribed under Listing Regulations, including appointment of Woman Director on May 15, 2017, which was vacant from October 30, 2016.

M) COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS OF THE LISTING REGULATIONS

In addition to the mandatory requirements, your Bank has also adopted the following non-mandatory requirements as suggested in Regulation 27(1) of the Listing Regulations:

(i) Shareholders' Rights

The Bank has a policy of announcement of the quarterly results. The results, as approved by the Board of Directors are first submitted to Stock Exchanges within 30 minutes (under Regulation 30 of the Listing Regulations) of the conclusion of the meeting. Once taken on record by the Stock Exchanges, the same were disseminated in the media through press release. The quarterly results are also published in newspapers and uploaded on Bank's website www.yesbank.in. Further, an earnings call is also organized, where the management responds to the queries of the investors/analysts. The transcripts of the same are also uploaded on the Bank's website.

(ii) Un-Modified Opinion(s) in Audit Report

The Auditors have expressed an unmodified opinion on the financial statements of the Bank.

(iii) Separate posts of Chairman and CEO

The Bank has separate positions of the Non-Executive (Independent) Part-Time Chairman and the Managing Director & CEO of the Bank.

(iv) Reporting of Internal Auditors

The Internal Auditors of the Bank reports directly to the Audit Committee.

(v) Compliance with the ICSI Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meeting have been complied with by the Bank.

N) DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

- Information on the commodity price risk or foreign exchange risk and hedging activities in the Bank

Your Bank has Board approved Market Risk policy which defines risk control framework for undertaking any Commodity price risk and Foreign exchange risk. Vide Market Risk policy, Board of the Bank has defined overall Net Overnight Open Position (NOOP) Limit, Stop Loss Limit, Aggregate Gap limit (AGL), Value at Risk (VaR) limit to control the Commodity Price / Foreign exchange risk within its risk control framework. The Bank has not undertaken any commodity price risk during the period. The Bank has undertaken all commodity transactions on back-to-back basis. Further, the Bank has not exceeded any of its Board approved risk limit framework with respect to Foreign Exchange Risk during the period.

Your Bank uses Derivatives including Forwards & Swaps for hedging its currency risk in its balance sheet, customer offerings and proprietary trading in compliance with overall risk limit and control framework. The management of these products and businesses is governed by Board approved Market Risk Policy, Investment Policy, Derivatives Policy, Hedging Policy and ALM policy of the Bank.

- Whether the commodity price risks and commodity hedging activities are disclosed to the shareholders/publically

Your Bank has not undertaken any commodity price risk during the period. The Bank has undertaken all commodity transactions on back-to-back basis.

VI SHAREHOLDERS INFORMATION

A) CHANGES IN EQUITY SHARE CAPITAL OF THE BANK:

As on March 31, 2018 the paid-up equity share capital of the Bank was ₹4,605,934,490 consisting of 2,302,967,245 equity shares of ₹2 each.

The table below gives details of changes in the Equity Share Capital of the Bank during the year under review:

Date of Allotment	Type of Issue	No. of Equity Shares Allotted	Face Value (in ₹)	Cumulative Equity Share Capital (No. of shares)
April 06, 2017	ESOPs	182,482	10.00	456,668,295
April 28, 2017	ESOPs	321,150	10.00	456,989,445
May 12, 2017	ESOPs	100,250	10.00	457,089,695
May 26, 2017	ESOPs	252,087	10.00	457,341,782
June 09, 2017	ESOPs	116350	10.00	457,458,132
June 23, 2017	ESOPs	36358	10.00	457,494,490
July 12, 2017	ESOPs	140950	10.00	457,635,440
July 25, 2017	ESOPs	49650	10.00	457,685,090
Aug 10, 2017	ESOPs	56,325	10.00	457,741,415
Aug 24, 2017	ESOPs	285,138	10.00	458,026,553
Sept 22, 2017#	Sub-division of Equity Shares	-	2.00	2,290,132,765
Sept 28, 2017	ESOPs	566,872	2.00	2,290,699,637
Oct 30, 2017	ESOPs	3,408,585	2.00	2,294,108,222
Nov 15, 2017	ESOPs	3,498,068	2.00	2,297,606,290
Dec 14, 2017	ESOPs	1,114,425	2.00	2,298,720,715
Jan 17, 2018	ESOPs	2,158,150	2.00	2,300,878,865
Feb 16, 2018	ESOPs	1,746,880	2.00	2,302,625,745
Mar 12, 2018	ESOPs	341,500	2.00	2,302,967,245

Pursuant to the approval granted by the Board of Directors of the Bank on July 26, 2017 and the Shareholders of the Bank through Postal Ballot on September 8, 2017, each Equity Share of the Bank having face value of ₹10 (Rupees Ten only) each has been sub-divided into 5 (Five) Equity Shares having face value of ₹2 (Rupees Two only) each fully paid-up w.e.f. September 22, 2017 being the Record Date.

B) DIVIDEND

The Board of Directors of the Bank at its meeting held on April 26, 2018 has recommended payment of dividend of ₹2.70 per equity share (135%) of face value of ₹2 each fully paid-up for the financial year ended March 31, 2018, for the approval of the Members at the 14th Annual General Meeting of the Bank (Previous Year ₹12 per equity share (120%) of face value ₹10 each fully paid-up). If approved, the dividend shall be paid on or after June 13, 2018.

Modes of making payment of Dividend through electronic mode:

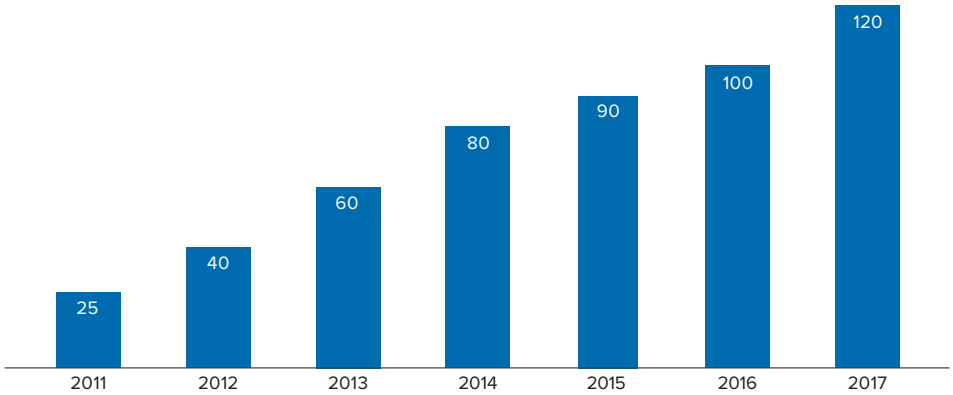
As mandated in Listing Regulations, listed companies shall require to make all payments to investors including dividend to the shareholders, by using any of the electronic mode of payment facility approved by the Reserve Bank of India viz., NACH / Direct Credit / RTGS / NEFT, etc.

In order to receive the dividend on time, all the eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participants, before May 31, 2018, their correct Bank Account Number, including 9 Digit MICR Code and 11 Digit IFSC Code, e-mail ID and Mobile numbers. This will facilitate the remittance of the dividend amount directly in the bank account of the shareholder electronically.

In case dividend payment by electronic mode is not executed for any reason, the Bank shall issue a Demand Draft.

The Dividend History of the Bank for past seven years is given below:

FY 2011-2017 (%)



Unclaimed Dividend

In terms of the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Bank is statutorily required to transfer to the Investor Education & Protection Fund ('IEPF'), established by the Central Government, all dividends remaining unpaid / unclaimed for a period of 7 (Seven) years, thereon, from the date of transfer of such Dividend to the Unpaid Dividend Account. Once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank. However, shareholders may claim their unclaimed amount as per the procedures / guidelines issued by the Ministry of Corporate Affairs (MCA). Dividends for and upto the financial year ended March 31, 2010 have already been transferred to the IEPF and dividend for the financial year ended March 31, 2011 shall be transferred to IEPF after the due date i.e. July 27, 2018.

The details of unclaimed dividends for the financial year 2010-11 onwards and the last date for claiming such dividends are given below:

Dividend for the year ended	Date of Declaration of Dividend	Last date of claiming Dividend
March 31, 2011	June 28, 2011	July 27, 2018
March 31, 2012	July 14, 2012	August 12, 2019
March 31, 2013	June 8, 2013	July 09, 2020
March 31, 2014	June 14, 2014	July 17, 2021
March 31, 2015	June 06, 2015	July 05, 2022
March 31, 2016	June 07, 2016	July 06, 2023
March 31, 2017	June 06, 2017	July 05, 2024

Shareholders who have not enchased their dividend warrants relating to the dividends as specified above are advised to send their request letter for issue of demand drafts to Karvy Computershare Private Limited or Nodal officer of the Bank Mr. Shivanand Shettigar. The details of unpaid/unclaimed dividends are available on the website of the Bank https://www.yesbank.in/about-us/investors-relation/shareholder-information/ir-regulations

Transfer of 'Underlying Shares' in respect of which dividend has not been claimed for seven consecutive years or more, to the IEPF

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, members are requested to note that the shares in respect of which dividends have been unpaid or unclaimed for seven consecutive years or more shall be credited to the IEPF Demat Account maintained with depositories. Upon transfer of such shares, all benefits (eg. bonus, spilt etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In this connection, the Bank had sent intimation letters to members in respect of the shares on which dividend had remained unpaid or unclaimed for seven consecutive years or more, requesting them to claim such dividend so as to avoid the corresponding shares being transferred to the IEPF authority. Simultaneously, an advertisement to this effect was published in leading English and vernacular newspapers.

The aforesaid Rules also prescribe the procedure to be followed by an investor to claim the Shares / Dividend amount transferred to IEPF. Shares which are transferred to the IEPF Demat Account can be claimed back by the shareholder from IEPF Authority by following the procedure prescribed under the aforesaid rules.

The information pertaining to unpaid / unclaimed dividends for last seven years and the details of such members whose unclaimed dividend / shares have been transferred to IEPF Authority is also available on the Bank's website https://www.yesbank.in/about-us/investors-relation/shareholder-information/ir-regulations.

Intimation to the Investors for claiming of Dividends / Equity Shares

Intimation has been sent to the relevant shareholders at regular intervals for encashing of unclaimed dividend on equity shares declared by the Bank from time to time and corresponding equity shares.

C) SHARES LYING IN THE UNCLAIMED SUSPENSE ACCOUNT

5,400 Equity shares of the Bank were lying in the 'YES BANK Limited Unclaimed Suspense Account' in the name of 36 shareholders at the beginning of the FY 2017-18.

During the year, the Bank has not received any request for claiming these shares and in terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares lying in the Unclaimed Suspense Account have been transferred to IEPF Demat Account.

In view of the above, as on March 31, 2018, there were no shares lying in the Unclaimed Suspense Account.

D) GENERAL BODY MEETINGS AND POSTAL BALLOT

General Meetings

The details of the last three Annual General Meeting(s) of the Bank and the special resolutions passed thereat are given below:

Year	Location	Day, Date and Time	Special Resolution
2017	Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018	Tuesday, June 06, 2017 at 4:00 P.M.	• Approval for increase in the borrowing limits from ₹50,000 crores to ₹70,000 crores; and • Approval for borrowing/ raising funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium-Term Notes), bonds upto ₹20,000 crores to eligible investors on private placement basis.

Year	Location	Day, Date and Time	Special Resolution
2016	Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018	Tuesday, June 07, 2016 at 11.00 A.M.	• Approval for raising of capital upto USD 1 Billion by issue of shares or convertible securities in one or more tranches provided however that the aggregate amount raised shall not result in increase of the issued and subscribed equity share capital of the Bank by more than 15% of the then issued and subscribed equity shares of the Bank; and • Approval for borrowing/raising funds in Indian/foreign currency by issue of debt securities including but not limited to non-convertible debentures, MTN (Medium Term Notes), bonds upto ₹10,000 crores to eligible investors on private placement basis
2015	Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018	Saturday, June 06, 2015 at 11.00 A.M.	• Approval for raising of capital upto USD 1 Billion by issue of shares or convertible securities in one or more tranches provided however that the aggregate amount raised shall not result in increase of the issued and subscribed equity share capital of the Bank by more than 15% of the then issued and subscribed equity shares of the Bank; • Approval for increase in the borrowing limits from ₹30,000 crores to ₹50,000 crores; • Approval for borrowing/raising funds in Indian/foreign currency by issue of debt securities upto ₹10,000 crores to eligible investors on private placement basis; and • 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.

Postal Ballot

During the year, the following Resolutions were passed through Postal Ballot on September 08, 2017. Mr. B. Narasimhan of M/s B. N. & Associates, Practicing Company Secretaries, Mumbai was appointed as the Scrutinizer for overseeing the postal ballot voting process. The details of voting pattern and resolutions passed are as follows:

1. Sub-division of 1 (one) Equity Share of face value of ₹10 each fully paid-up into 5 (five) Equity Shares of ₹2 each fully paid-up. – Ordinary Resolution:

Total No. of shareholders	202,849	
Total No. of equity Shares	457,685,090	
Particulars	Number of Votes	% of votes
Total No. of equity Shares	457,685,090	100.00%
NO. OF VOTES POLLED	**286,298,311**	**62.55%**
• No. of Votes - in favour	286,220,493	99.97%
• No. of Votes - against	77,818	0.03%

2. Alteration of Capital Clauses of Memorandum of Association – Ordinary Resolution:

Total No. of shareholders	2,02,849	
Total No. of equity Shares	45,76,85,090	
Particulars	Number of Votes	% of votes
Total No. of equity Shares	457,685,090	100.00%
NO. OF VOTES POLLED	**286,263,473**	**62.55%**
• No. of Votes - in favour	286,186,043	99.97%
• No. of Votes - against	77,430	0.03%

The Bank follows the procedure as prescribed under Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration), Rules, 2014, and Regulation 44 of Listing Regulations and the Secretarial Standards as amended from time to time. Members are provided the facility to cast their votes through electronic voting (e-voting) or through postal ballot. The Board of Directors of the Bank, appoints Scrutinizer(s) for conducting the postal ballot voting process in a fair and transparent manner. The Scrutinizer submits his report to the Chairman or any other Director as authorised by the Board in this behalf after the completion of the scrutiny of the postal ballots (including e-voting). Considering the results alongwith report of the Scrutinizer of the Postal Ballot, the resolution is considered approved. The necessary intimations is also been submitted to the Stock Exchanges on the declarations of the results and the same has also been displayed on website of the Bank & RTA and has also been displayed at the Registered Office of the Bank.

No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing Annual General Meeting of the Bank.

E) INVESTOR GRIEVANCE REDRESSAL

Shareholders' Complaints during FY 2017-18

Particulars	No. of Complaints
Investor complaints pending as at April 01, 2017	2
Investor complaints received during the year ended on March 31, 2018	899
Investor complaints resolved during the year ended March 31, 2018	897
Investor complaints pending as on March 31, 2018	4

Shareholders' Requests during FY 2017-18

Particulars	No. of Requests
Investor requests pending as at April 01, 2017	155*
Investor requests received during the year ended on March 31, 2018	356
Investor requests resolved during the year ended March 31, 2018	503
Investor requests pending as on March 31, 2018	8

* *The Bank had received various requests for Unclaimed Dividend in the month of March 2017 pursuant to the reminder letters sent to the Shareholders of the Bank and majority of the same were resolved in April 2017*

The Bank receives investor complaints through various sources and informs the Stakeholders Relationship Committee of the Board on the resolution and redressal of the complaints, and also to the Board on quarterly basis. The Bank receives investor complaints from Stock Exchanges, SEBI Complaints Redress System (SCORES), Registrar of Companies, Mumbai, through the Bank's Registrar and Transfer Agents, directly from investors' correspondence and from the investors personal visits to the Bank.

The Bank has designated Email IDs namely shareholders@yesbank.in for Equity investors and bondholders@yesbank.in for bond holders for reporting complaints/grievances. The said email Ids are also displayed on the website of the Bank.

F) QUERIES AT ANNUAL GENERAL MEETING

Shareholders desiring any information with regard to the accounts are requested to write to the Bank at an early date so as to enable the management to keep the information ready. The queries relating to operational and financial performance may be raised at the Annual General Meeting.

The Bank provides the facility of Investor-Helpdesk at the Annual General Meeting. Shareholders may post their queries relating to shares, dividends etc., at this Investor-Helpdesk.

G) MEANS OF COMMUNICATION

Your Bank has provided adequate and timely information to its members *inter-alia* through the following means

- Quarterly Results are announced through a Press Conference and a Press Release is sent to leading media publications. The results are also communicated through newspaper advertisements in prominent national and regional dailies like the Economic Times, Mint, Free Press Journal, Navshakti, Financial Express, DNA and Hindu Business Line as well as important investor magazines such as Dalal Street and Capital Market.

  The financial results, official news releases and presentations are also displayed on the website of the Bank (www.yesbank.in)

  The presentations made to institutional investors and financial analysts on the Bank's financial results are displayed on the website of the Bank (www.yesbank.in). The Bank also informs the Schedule of meeting with the institutional investors and financial analysts to the Stock Exchanges.

  The financial and other information filed by the Bank from time to time is also available on the websites of the Stock Exchanges, i.e., BSE Limited (BSE) at www.bseindia.com and the National Stock Exchange of India Limited (NSE) at www.nseindia.com. Various compliances as required/ prescribed under the Listing Regulations are filed through online portals viz., NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, respectively.

- The Bank has established systems and procedures to disseminate relevant information to its stakeholders, including shareholders, analysts, suppliers, customers, employees and the society at large. It also conducts earning calls with analysts and investors.

  Documents like Notices of general meetings, Annual Reports, ECS advises for dividends, etc. are sent to the shareholders at their e-mail address, as registered with their Depository Participants / Bank / Registrar & Transfer Agents (RTA). This helps prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

- The Bank also publishes its quarterly / half-yearly and annual Financial Results in newspaper(s) as required in terms of Section 31 of the Banking Regulation Act, 1949 and Rule 15 of the Banking Regulation (Companies) Rules, 1949.

- Half-yearly updates to the shareholders

  Your bank has sent Mid-year communication to the shareholders' consist of half-yearly financial results and other updates on financial / overall performance of the Bank during the half-year ended September 30, 2017.

- Shareholders Satisfaction Survey

  In our constant endeavor to strengthen the shareholder service standards, a Shareholders Satisfaction Survey is being conducted with the help of Feedback Form to be circulated among the shareholders alongwith 14th AGM Notice. The same is also hosted on the Bank's website at www.yesbank.in under Investors Relations → Annual Report section. Shareholders may tear/download the form and send us the same dully filled-in at Karvy Computershare Private Limited [Unit: YES BANK Limited], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Cont.: Ms. Shobha Anand, Deputy General Manager, Contact No. (040)-6716 2222.

H) GENERAL SHAREHOLDERS INFORMATION

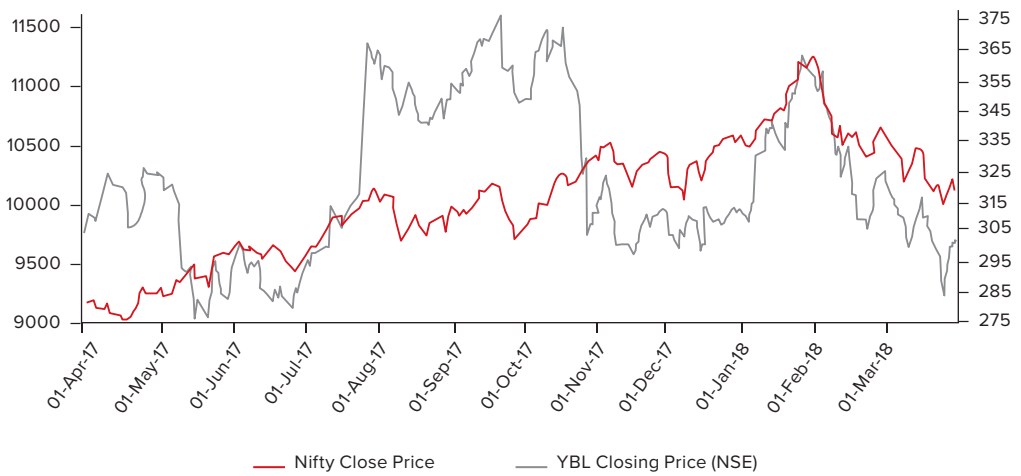
Day, Date, Time and Venue of the Annual General Meeting	Tuesday, June 12, 2018 at 11.00 A.M. Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018
Financial Year	April 01, 2017 to March 31, 2018
Date of Book Closure	Wednesday, June 06, 2018 to Tuesday, June 12, 2018
Dividend Payment Date	Will be paid on or after Wednesday, June 13, 2018
Listing on Stock Exchanges	**Listing on Indian Stock Exchanges:** 1. BSE Limited *(Equity Shares & Debt Securities)* Add: Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Phones : (022) 2272 1233/4, (022) 6654 5695 Fax : (022) 2272 1919 2. National Stock Exchange of India Limited *(Equity Shares)* Add: Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Tel : (022) 2659 8100 - 8114 Fax : (022) 2659 8120 (i) Listing Fees for the financial year 2017-18 has been paid to the abovementioned stock exchanges. (ii) The equity shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory/ Statutory Authority **International Listing (Medium-term Note):** 3. The Singapore Exchange Securities Trading Limited Add- 2, Shenton Way #02-02, SGX Centre 1, Singapore – 068804 4. The London Stock Exchange International Securities Market Add: 10 Paternoster Square London EC4M 7LS United Kingdom 5. India International Exchange IFSC Limited Add: 1st Floor, Unit No. 101, The Signature, Building No. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382355, India.
Stock Code (Equity)	BSE : 532648 NSE : YESBANK
ISIN (Equity)	INE528G01027

Market Price Data: High, Low during each month in last financial year

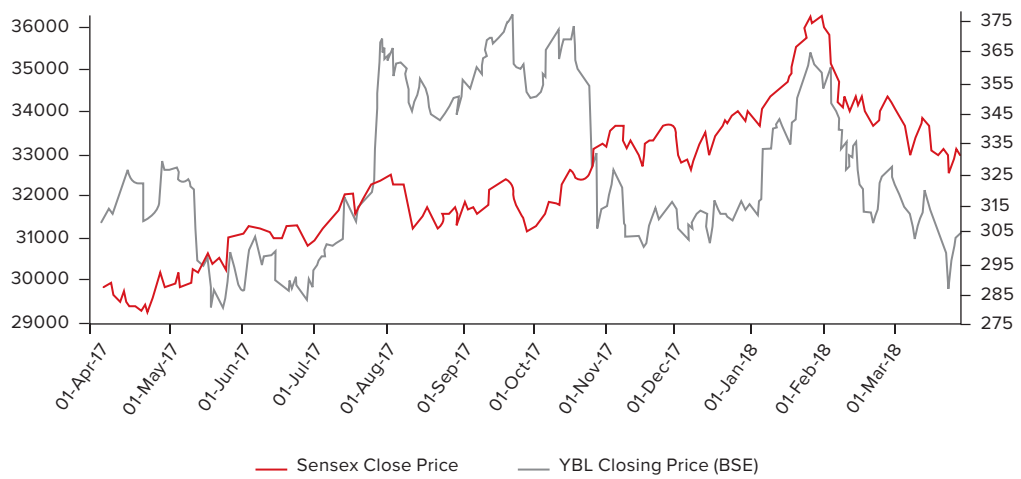
Month	NSE			BSE		
	High(₹)	Low (₹)	Volume	High (₹)	Low(₹)	Volume
Apr-17	1,651.90	1,520.60	2,378,298	1,652.90	1,501.00	2,927,733
May-17	1,651.80	1,376.25	2,929,585	1,651.50	1,375.75	5,638,327
Jun-17	1,532.45	1,401.50	2,308,932	1,531.70	1,401.05	4,434,242
Jul-17	1,861.00	1,452.00	3,081,340	1,860.00	1,453.90	7,101,467
Aug-17	1,842.95	1,686.00	2,258,929	1,842.60	1,686.85	3,312,914
Sep-17 #	1,886.00	345.10	4,222,939	1,884.85	345.50	6,495,062
Oct-17	375.90	298.55	14,386,080	375.75	299.00	17,476,950
Nov-17	329.00	295.60	11,195,514	329.80	296.00	16,185,290
Dec-17	318.95	300.60	7,758,076	319.00	300.65	14,169,974
Jan-18	366.30	307.15	11,327,931	366.00	307.35	23,719,585
Feb-18	367.25	304.50	12,714,842	366.50	304.65	15,082,368
Mar-18	326.00	285.00	13,784,519	325.80	285.10	19,244,939

Pursuant to the approval of Shareholders of the Bank through Postal Ballot on September 08, 2017, each existing Equity Share of the Bank having face value of ₹10 (Rupees Ten only) each has been sub-divided into 5 (Five) Equity Shares having face value of ₹2 (Rupees Two only) each fully paid-up w.e.f. September 22, 2017 being the Record Date.

Performance of the Bank's Equity Shares as compared with NSE Nifty Indices during the FY 2017-18



Performance of the Bank's Equity Shares as compared with S&P BSE SENSEX during the FY 2017-18



Note: The Bank's equity share price before the record date for sub-division for its equity shares (i.e. September 22, 2017) has been adjusted so that pre and post sub-division share prices are comparable.

Registrar and Transfer Agents	**EQUITY** **Karvy Computershare Private Limited** Add: Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone: 040- 67161559 Fax: 040-23001153 Contact Person: Ms. Shobha Anand / Mr. Sridhar Balamurli E-mail: einward.ris@karvy.com **DEBT** **Link Intime India Pvt. Ltd.,** Add: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 Contact Person: Mr. Ganesh Jadhav/Mr. Vinayak Bendal, E-mail: mumbai@linkintime.co.in **MEDIUM-TERM NOTE** **The Hongkong and Shanghai Banking Corporation Limited** Add: Level 30, HSBC Main Building 1 Queen's Road Central Hong Kong
Share Transfer System	The Board has delegated the authority for approving transfer, transmission, etc. of the Bank's securities to the Managing Director & CEO and the Company Secretary. The Bank's shares are traded under compulsory dematerialized mode. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges.
Reconciliation of Share Capital Audit	Reconciliation of Share Capital Audit, as mandated by SEBI, has been carried out by Company Secretary in Practice on quarterly basis, and reports on the reconciliation of total issued and listed capital with that of total share capital admitted/held in dematerialized form with NSDL and CDSL and those held in physical form. The Report in this regard has been submitted to stock exchanges viz., BSE Ltd. and National Stock Exchange of India Ltd. on quarterly basis and being placed before the Board of Directors of the Bank for its review.

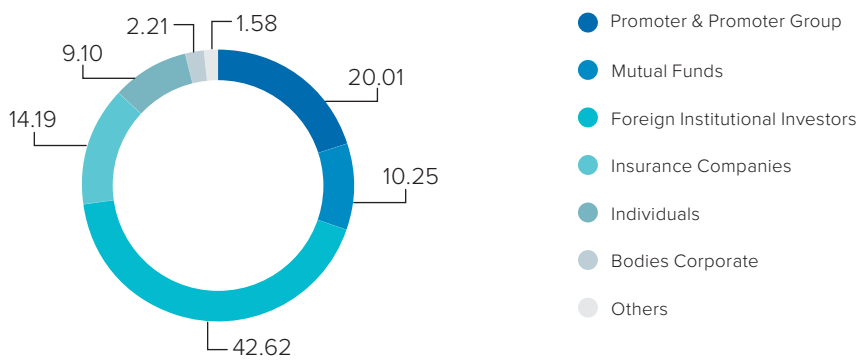
Distribution of Shareholding as on March 31, 2018

Category (Amount)	No. of shareholders	%	Total Shares	Amount in ₹	% of Amount
Up to 5,000	400,452	97.53	90,394,700	180,789,400	3.93
5,001 – 10,000	5,097	1.24	18,871,896	37,743,792	0.82
10,001 – 20,000	2,200	0.54	15,976,393	31,952,786	0.69
20,001 – 30,000	710	0.17	8,890,176	17,780,352	0.39
30,001 – 40,000	343	0.08	6,097,792	12,195,584	0.26
40,001 – 50,000	251	0.06	5,809,875	11,619,750	0.25
50,001 – 100,000	472	0.11	17,256,455	34,512,910	0.75
100,001 & Above	1,071	0.26	2,139,669,958	4,279,339,916	92.91
TOTAL	**410,596**	**100.00**	**2,302,967,245**	**4,605,934,490**	**100.00**

Shareholding Pattern as on March 31, 2018

Sr. No.	Category of shareholders	No. of shares	%
I	**PROMOTER & PROMOTER GROUP**		
1(a)	Rana Kapoor (Promoter)	100,000,000	4.34
1(b)	YES Capital (India) Private Limited (Promoter Entity)	75,625,000	3.28
1(c)	Morgan Credits Private Limited (Promoter Entity)	70,250,000	3.05
2(a)	Madhu Kapur	175,625,000	7.63
2(b)	Mags Finvest Private Limited	39,212,250	1.70
	TOTAL	**460,712,250**	**20.01**
II	**OTHER INSTITUTIONS**		
	Mutual Funds/UTI	237,002,381	10.29
	Financial Institutions/Banks	5,192,880	0.23
	Insurance Companies	326,749,251	14.19
	Foreign Portfolio Investors	981,618,268	42.62
III	**OTHER NON-INSTITUTIONS**		
	Bodies Corporate	50,975,401	2.21
IV	**INDIVIDUALS**		
	(i) Individuals holding nominal share capital upto ₹2 lakh	149,934,789	6.51
	(ii) Individuals holding nominal share capital in excess of ₹2 lakh	59,571,890	2.59
V	Trusts	6,162,100	0.27
VI	Non Resident Indians	11,971,167	0.52
VII	H U F	4,975,881	0.22
VIII	Clearing Members	6,041,142	0.26
IX	Foreign Nationals	3,561	0.00
X	NBFCs registered with RBI	59,010	0.00
XI	Alternative Investment Fund	1,934,220	0.08
XII	IEPF	63,054	0.00
	TOTAL	**2,302,967,245**	**100.00**

Shareholding Pattern (%)



List of Shareholders holding more than 1% shares in the Bank as on March 31, 2018

Sr. No	Name	No. of shares	%
	PROMOTER & PROMOTER GROUP		
1(a)	Rana Kapoor (Promoter)	100,000,000	4.34
1(b)	YES Capital (India) Private Limited (Promoter Entity)	75,625,000	3.28
1(c)	Morgan Credits Private Limited (Promoter Entity)	70,250,000	3.05
2(a)	Madhu Kapur	175,625,000	7.63
2(b)	Mags Finvest Private Limited	39,212,250	1.70
	OTHERS		
3	LIC of India along with its various schemes	222,912,977	9.68
4	Birla Sun Life Trustee Company Private Limited alongwith its various schemes	52,880,776	2.30
5	ICICI Prudential Life Insurance Company Limited	46,176,721	2.01
6	Franklin Tempelton Mutual Fund alongwith its various schemes	40,625,511	1.76
7	Franklin Templeton Investment Funds	34,028,664	1.48
8	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	27,573,353	1.20
9	T. Rowe Price Emerging Markets Stock Fund	23,177,106	1.01

Dematerialization of shares and liquidity	As on March 31, 2018, the Share Capital of the Bank was held in the dematerialized form comprising of 2,302,854,040 Equity Shares of Face Value ₹2 each (99.99%), out of which (97.10%) with NSDL and (2.89%) CDSL, except 113,205 shares were being held in physical form (0.01%). Shareholders are requested to convert their physical holdings into electronic holdings which will negate risks associated with physical certificates.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	The Bank does not have any Outstanding GDRs/ADRs/Warrants or any other Convertible instrument as on date.
Commodity price risk or foreign exchange risk and hedging activities	The information on the Commodity price risk or foreign exchange risk and hedging activities is explained in this report.
Plant Locations	As the Bank is engaged in the business of banking/financial services, there is no plant location.
Debenture Trustees:	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai-400 001 Contact Person: Mr. Ajit Guruji, Vice President Phone: 022 - 4080 7001 Fax: 022 - 6631 1776 **Axis Trustee Services Limited** Axis House, Ground floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025 Contact Person: Mr. Ankit Singhvi (Senior Manager) Phone: 022 - 6226 0084 Fax: 022 - 2425 4200
Address of the Compliance Officer	Mr. Shivanand R. Shettigar, Company Secretary YES BANK Tower, IFC 2, 15th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013 Phone: 022 - 3366 9000 / 3347 7798 Fax: 022 - 2490 0314 Email: shareholders@yesbank.in

For and on behalf of the Board of Directors

Rana Kapoor
Managing Director & CEO
(DIN No: 00320702)

Ashok Chawla
Non-Executive (Independent) Part-Time Chairman
(DIN No: 00056133)

Place: Mumbai
Date: April 26, 2018

COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

I confirm that all Directors and members of the Senior Management have affirmed compliance with YES BANK Code of Conduct and Ethics.

For **YES BANK Limited**

Rana Kapoor
Managing Director & CEO
(DIN No: 00320702)

Place: Mumbai
Date: April 26, 2018

CEO / CFO CERTIFICATION

We, Rana Kapoor, Managing Director & CEO and Raj Ahuja, Chief Financial Officer, of YES BANK Limited (the 'Bank') hereby certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 of the Bank and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
   ii. these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d. We have indicated, to the Auditors and the Audit Committee:
   i. significant changes in internal control over financial reporting during the year;
   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Yours faithfully

Rana Kapoor
Managing Director & CEO
(DIN No: 00320702)

Raj Ahuja
Chief Financial Officer

Place: Mumbai
Date: April 26, 2018



CREATING SHARED VALUE FOR 50 MILLION INDIANS

SUPPORTING COMMUNITIES | SKILLING YOUTH | CONSERVING ENVIRONMENT

SUSTAINABLE MSMEs & ENTREPRENEURSHIP

Benefiting 18,000+ MSMEs & entrepreneurs through interventions for improving energy efficiency, financial literacy, OHS and providing market access through workshops in e-commerce.

ACCESS TO SAFE & CLEAN DRINKING WATER

- Water purification systems at 400+ railway stations across Maharashtra, Madhya Pradesh, and Gujarat.
- Water treatment & purification at the National Cancer Institute, Nagpur.
- Water Health Centers and Water ATMs for urban communities in Delhi benefiting 1 lakh+ citizens.

ENVIRONMENT SUSTAINABILITY & CONSERVATION

- Commitment to plant and maintain 50,000 saplings & fruit bearing trees across Mumbai-Nashik national highway to create a green corridor under the NGHM.
- First Bank globally to migrate to the ISO 14001:2015 certification for its environmental management system.

LIVELIHOODS THROUGH SKILL BUILDING & ENTREPRENEURSHIP

- 1,900 youth are being trained in agri-entrepreneurship, IT, communications and placed in retail & IT companies.
- Improving livelihood of 200 women salt farmers & commitment to improve livelihood of 400 women salt farmers in the Little Rann of Kutch through blended finance mechanism.

Spreading awareness among and engaging with 32 lakh citizens through various interventions in environment conservation, clean India campaign, education and entrepreneurship through a unique branch-led model of YES Community engagement by 1,100 YES BANK branches across 29 States & 7 Union Territories.

Inviting alliances to fulfill India's commitment to achieve the Sustainable Development Goals.
Write to us at **responsible@yesinstitute.in**

1,100 Branches Pan India | **1,720+** ATMs | **18,200+** YES BANKers

Registered Office: Nehru Centre, 9th Floor, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India. | www.yesbank.in

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of YES BANK Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of YES BANK LIMITED (the 'Bank'), which comprise the Balance Sheet as at 31 March 2018, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of standalone financial statements of the Bank in accordance with the Standards on Auditing (the 'Standards') specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists,

INDEPENDENT AUDITOR'S REPORT

we are required to draw attention in the auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the Act in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act.

As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

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

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

(c) Since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 28 branches.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by Section 143 (3) of the Act, we report that:

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

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

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

(e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' and;

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

(i) The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 18.7.17 to the standalone financial statements;

(ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 18.7.15 to the standalone financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.

(iv) The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W – 100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
26 April 2018

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF YES BANK LIMITED

YES BANK Limited

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

We have audited the internal financial controls over financial reporting of YES BANK Limited (the 'Bank') as at 31 March 2018 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W – 100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
26 April 2018

BALANCE SHEET

as at March 31, 2018

(₹ in thousands)

	Schedule	As at Mar 31, 2018	As at Mar 31, 2017
CAPITAL AND LIABILITIES			
Capital	1	4,605,934	4,564,858
Reserves and surplus	2	252,976,864	215,975,735
Deposits	3	2,007,381,476	1,428,738,567
Borrowings	4	748,935,808	386,066,730
Other liabilities and provisions	5	110,555,951	115,253,287
TOTAL		**3,124,456,033**	**2,150,599,177**
ASSETS			
Cash and balances with Reserve Bank of India	6	114,257,489	69,520,697
Balances with banks and money at call and short notice	7	133,086,175	125,973,744
Investments	8	683,989,387	500,317,983
Advances	9	2,035,338,628	1,322,626,769
Fixed assets	10	8,323,917	6,835,385
Other assets	11	149,460,437	1,25,324,599
TOTAL		**3,124,456,033**	**2,150,599,177**
Contingent liabilities	12	5,818,296,390	3,795,641,601
Bills for collection		19,355,641	13,900,033
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

For and on behalf of the Board of Directors
YES BANK Limited

Rana Kapoor
Managing Director & CEO
(DIN:00320702)

Ashok Chawla
Non Executive (Independent) Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN:02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Raj Ahuja
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 26, 2018

PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2018

(₹ in thousands)

		Schedule	For the year ended March 31, 2018	For the year ended March 31, 2017
I.	**INCOME**			
	Interest earned	13	202,674,216	164,246,437
	Other income	14	52,238,335	41,567,569
	TOTAL		**254,912,551**	**205,814,006**
II.	**EXPENDITURE**			
	Interest expended	15	125,303,624	106,273,367
	Operating expenses	16	52,127,798	41,165,410
	Provisions and contingencies	17	35,235,492	25,074,265
	TOTAL		**212,666,914**	**172,513,042**
III.	**PROFIT**			
	Net profit for the year		42,245,637	33,300,964
	Profit brought forward		79,333,915	55,446,801
	TOTAL		**121,579,552**	**88,747,765**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		10,561,409	8,325,241
	Transfer to Capital Reserve		659,648	1,082,995
	Transfer to Investment Reserve		-	-
	Dividend paid (Refer Sch. 18.5.1.2)		5,488,101	4,665
	Tax on Dividend paid (Refer Sch. 18.5.1.2)		1,117,377	950
	Balance carried over to balance sheet		103,753,016	79,333,915
	TOTAL		**121,579,552**	**88,747,765**
	Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
	Earning per share (Refer Sch. 18.6.16)			
	Basic (₹)		18.43	15.78
	Diluted (₹)		18.06	15.35
	(Face Value of Equity Share is ₹2/-) (Refer Sch. 18.5.1.1)			

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

For and on behalf of the Board of Directors
YES BANK Limited

Rana Kapoor
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(DIN:00320702)

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(DIN: 00056133)

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(DIN: 06863505)

Raj Ahuja
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

Mumbai
April 26, 2018

CASH FLOW STATEMENT

for the year ended Mar 31, 2018

(₹ in thousands)

		Year ended 31-Mar-18	Year ended 31-Mar-17
CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAXES		**61,943,094**	**50,441,173**
ADJUSTMENT FOR			
Depreciation for the year		2,309,704	1,712,519
Amortization of premium on investments		1,673,308	789,586
Provision for investments		2,599,443	522,117
Provision for standard advances		1,687,427	831,396
Provision/write off of non performing advances		10,788,287	6,634,414
Other provisions		397,075	(176,774)
(Profit)/Loss on sale of land, building and other assets		12,892	(182)
	(i)	**81,411,230**	**60,754,249**
ADJUSTMENTS FOR :			
Increase/(Decrease) in Deposits		578,642,909	311,543,236
Increase/(Decrease) in Other Liabilities		(1,384,431)	39,828,371
(Increase)/Decrease in Investments		(104,836,672)	27,645,612
(Increase)/Decrease in Advances		(725,187,573)	(347,161,913)
(Increase)/Decrease in Other assets		(24,532,910)	(30,073,864)
	(ii)	**(277,298,677)**	**1,781,442**
Payment of direct taxes	(iii)	(22,889,711)	(18,749,191)
Net cash generated from/(used in) operating activities (A)	**(i+ii+iii)**	**(218,777,158)**	**43,786,500**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(3,900,382)	(3,876,000)
Proceeds from sale of fixed assets		89,251	35,459
(Increase)/Decrease in Held To Maturity (HTM) securities		(82,552,484)	(40,890,641)
Investment in subsidiaries		(555,000)	-
Net cash generated/(used in) from investing activities (B)		**(86,918,615)**	**(44,731,182)**

CASH FLOW STATEMENT

for the year ended Mar 31, 2018

(₹ in thousands)

	Year ended 31-Mar-18	Year ended 31-Mar-17
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	241,003,504	43,568,618
Tier II Debt raised	70,000,000	-
Innovative Perpetual Debt raised	54,150,000	30,000,000
Tier II Debt repaid during the year	(2,489,000)	(3,786,000)
Proceeds from issue of Share Capital (net of share issue expense)	1,420,167	49,576,625
Dividend paid during the year	(5,488,101)	(4,209,981)
Tax on dividend paid	(1,117,377)	(857,152)
Net cash generated from/(used in) financing activities (C)	**357,479,193**	**114,292,110**
Effect of exchange fluctuation on translation reserve (D)	**65,803**	**(37,234)**
Net increase in cash and cash equivalents (A+B+C+D)	**51,849,223**	**113,310,194**
Cash and cash equivalents as at April 1st	**195,494,441**	**82,184,247**
Cash and cash equivalents as at Mar 31st	**247,343,664**	**195,494,441**
NOTES TO THE CASH FLOW STATEMENT:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	114,257,489	69,520,697
Balances with Banks and Money at Call and Short Notice	133,086,175	125,973,744
Cash and cash equivalents as at March 31st	**247,343,664**	**195,494,441**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
April 26, 2018

For and on behalf of the Board of Directors
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Raj Ahuja
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

SCHEDULES
forming Part of Financial Statements

(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 1 - CAPITAL		
AUTHORISED CAPITAL		
3,000,000,000 equity shares of ₹2/- each	6,000,000	6,000,000
20,000,000 preference shares of ₹100/- each	2,000,000	2,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
2,302,967,245 equity shares of ₹2/- each	4,605,934	4,564,858
(March 31, 2017 : 2,282,429,065 equity shares of ₹2/- each) [Refer Sch 18.5.1.1]		
TOTAL	**4,605,934**	**4,564,858**

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 2 - RESERVES AND SURPLUS			
I.	**STATUTORY RESERVES**		
	Opening balance	34,071,994	25,746,753
	Additions during the year	10,561,409	8,325,241
	Deductions during the year	-	-
	Closing balance	**44,633,403**	**34,071,994**
II.	**SHARE PREMIUM**		
	Opening balance	98,679,248	49,462,165
	Additions during the year [Refer Sch 18.5.1.1]	1,379,091	49,717,083
	Deductions during the year [Refer Sch 18.5.1.1]	-	500,000
	Closing balance	**100,058,339**	**98,679,248**
III.	**CAPITAL RESERVE**		
	Opening balance	3,864,833	2,781,838
	Additions during the year [Refer Sch 18.5.1.3]	659,648	1,082,995
	Deductions during the year	-	-
	Closing balance	**4,524,481**	**3,864,833**
IV.	**INVESTMENT RESERVE**		
	Opening balance	226,197	226,197
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing balance	**226,197**	**226,197**
V	**FOREIGN CURRENCY TRANSLATION RESERVE**		
	Opening balance	(40,317)	(3,083)
	Additions during the year	65,803	(37,234)
	Deductions during the year	-	-
	Closing balance	**25,486**	**(40,317)**
VI.	**CASH FLOW HEDGE RESERVE**		
	Opening balance	(160,135)	-
	Additions during the year [Refer Sch 18.5.1.5]	(83,922)	(160,135)
	Deductions during the year	-	-
	Closing balance	**(244,057)**	**(160,135)**
VII.	**BALANCE IN PROFIT AND LOSS ACCOUNT**	**103,753,016**	**79,333,915**
	TOTAL	**252,976,864**	**215,975,735**

SCHEDULES

forming Part of Financial Statements

(₹ in thousands)

				As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 3 - DEPOSITS					
A.	**I.**		**Demand Deposits**		
		i)	From Banks	14,602,217	10,543,996
		ii)	From Others	273,655,030	180,334,205
	II.		**Savings Bank Deposit**	443,504,509	327,818,301
	III.		**Term Deposits**		
		i)	From banks	112,971,241	78,421,060
		ii)	From others (incl. CD's issued)	1,162,648,479	831,621,005
			TOTAL	**2,007,381,476**	**1,428,738,567**
B.	**I.**		**Deposits of branches in India**	2,006,449,601	1,428,635,283
	II.		**Deposits of branches outside India**	931,875	103,284
			TOTAL	**2,007,381,476**	**1,428,738,567**

(₹ in thousands)

				As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 4 - BORROWINGS					
I.	**INNOVATIVE PERPETUAL DEBT INSTRUMENTS (IPDI) AND TIER II DEBT**				
A.	**Borrowing in India**				
	i)		IPDI	91,560,000	37,410,000
	ii)		Tier II Borrowings	152,339,000	84,828,000
			TOTAL (A)	**243,899,000**	**122,238,000**
B.	**Borrowings outside India**				
	i)		IPDI	325,875	324,250
	ii)		Tier II Borrowings	11,172,824	10,969,876
			TOTAL (B)	**11,498,699**	**11,294,126**
			TOTAL (A+B)	**255,397,699**	**133,532,126**
II.	**OTHER BORROWINGS[1]**				
A.	**Borrowings in India**				
	i)		Reserve Bank of India	15,000,000	-
	ii)		Other banks	15,811,399	21,818,909
	iii)		Other institutions and agencies[2]	187,167,910	81,117,555
			TOTAL (A)	**217,979,309**	**102,936,464**
B.	**Borrowings outside India[3]**			275,558,800	149,598,140
			TOTAL (A+B)	**493,538,109**	**252,534,604**
			TOTAL (I+II)	**748,935,808**	**386,066,730**

(1) Secured borrowings are ₹46,463,203 thousands (March 31, 2017 : ₹14,198,629 thousands).

(2) Including ₹123,216,106 thousands of refinance borrowing (March 31, 2017: ₹41,367,836 thousands), ₹16,450,000 thousands (March 31 2017: ₹16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹21,350,000 thousands (March 31, 2017: ₹21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

(3) Includes bonds of ₹38,974,842 thousands (previous year: NIL) of Medium Term Notes issued from International Business Unit (IBU) in GIFT city Gujarat to fund its growth.

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(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. BILLS PAYABLE	9,151,490	5,925,696
II. INTER-OFFICE ADJUSTMENTS (NET)	-	-
III. INTEREST ACCRUED	21,932,830	14,787,213
IV. OTHERS (INCLUDING PROVISIONS)		
- Provision for standard advances	9,493,909	7,806,482
- Country risk provision	-	-
- Others	69,977,722	86,733,896
TOTAL	**110,555,951**	**115,253,287**

(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	6,226,739	5,705,440
II. Balances with Reserve Bank of India		
- In current account	108,030,750	63,815,257
- In other account	-	-
TOTAL	**114,257,489**	**69,520,697**

(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
Balances with banks-		
i) In current accounts	781,586	615,101
ii) In other deposit accounts	83	77
Money at call and short notice		
i) With Banks	-	6,400,000
ii) With other institutions	-	-
iii) Lending under reverse repo (RBI & Banks)	112,009,654	77,533,403
TOTAL (I)	**112,791,323**	**84,548,581**
II. OUTSIDE INDIA		
i) In current account	14,494,277	22,618,582
ii) In other deposit account	-	-
iii) Money at call and short notice	5,800,575	18,806,581
TOTAL (II)	**20,294,852**	**41,425,163**
TOTAL (I+II)	**133,086,175**	**125,973,744**

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(₹ in thousands)

			As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 8 - INVESTMENTS (NET OF PROVISIONS)				
A.	**INVESTMENTS IN INDIA**			
	i)	Government Securities	488,860,831	354,804,669
	ii)	Other approved securities	-	-
	iii)	Shares	643,782	2,369,461
	iv)	Debentures and bonds	145,045,609	110,453,002
	v)	Subsidiaries and/or joint ventures	1,055,000	500,000
	vi)	Others (CPs, CDs, Security Receipts, Pass through certificates etc)	38,030,003	30,438,101
		TOTAL (I)	**673,635,225**	**498,565,233**
B.	**INVESTMENTS OUTSIDE INDIA**			
	i)	Government Securities	3,445,612	322,750
	ii)	Debentures and bonds	6,908,550	1,430,000
		TOTAL (II)	**10,354,162**	**1,752,750**
		TOTAL (I+II)	**683,989,387**	**500,317,983**

(₹ in thousands)

			As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 9 - ADVANCES				
A.	i)	Bills purchased and discounted	24,244,084	15,592,229
	ii)	Cash credit, overdrafts and loans payable on demand	381,074,691	285,619,143
	iii)	Term loans	1,630,019,853	1,021,415,397
		TOTAL	**2,035,338,628**	**1,322,626,769**
B.	i)	Secured by tangible assets (includes advances secured by fixed deposits and book debt)	1,477,676,098	971,727,832
	ii)	Covered by Bank/Government guarantees	5,996,099	9,982,743
	iii)	Unsecured[1]	551,666,431	340,916,194
		TOTAL	**2,035,338,628**	**1,322,626,769**
	1	Includes advances of ₹337,552,952 thousands (March 31, 2017: ₹194,674,665 thousands) for which security documentation is either being obtained or being registered. There are no outstanding advances as at March 31, 2018 and March 31, 2017 for which only intangible securities such as charge over the rights, licenses, authority, etc has been taken.		
C.	**I.**	**Advances in India**		
		i) Priority sectors	446,472,144	291,727,756
		ii) Public sector	1,524,237	611,812
		iii) Banks	1,214,227	1,336,192
		iv) Others	1,442,062,406	968,611,004
		TOTAL (I)	**1,891,273,014**	**1,262,286,764**
	II.	**Advances outside India**		
		i) Due from Banks	1,716,986	803,409
		ii) Due from Others		
		(a) Bills purchased and discounted	-	-
		(b) Syndicated loans	142,348,628	59,536,596
		(c) others	-	-
		TOTAL (II)	**144,065,614**	**60,340,005**
		TOTAL (I+II)	**2,035,338,628**	**1,322,626,769**

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(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 10 - FIXED ASSETS			
I.	**PREMISES**		
	At cost as on March 31st of preceding year	378,031	-
	Additions during the year	-	378,031
	Deductions during the year	-	-
	Accumulated depreciation to date	(8,402)	(2,101)
	TOTAL (I)	**369,629**	**375,930**
II.	**OTHER FIXED ASSETS (INCLUDING FURNITURE AND FIXTURES AND SOFTWARE)**		
	At cost as on March 31st of preceding year	11,745,713	8,509,222
	Additions during the year	3,931,501	3,338,916
	Deductions during the year	(444,470)	(102,425)
	Accumulated depreciation to date	(7,994,083)	(6,033,004)
	TOTAL (II)	**7,238,661**	**5,712,709**
	TOTAL (I+II)	**7,608,290**	**6,088,639**
	Capital work-in-progress	715,627	746,746
	TOTAL	**8,323,917**	**6,835,385**

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	25,152,344	20,753,822
II.	Advance tax and tax deducted at source (net of provision)	1,674,968	1,170,481
III.	Deferred tax asset [Refer Sch 18.6.18]	8,717,588	6,029,821
IV.	Non-Banking assets aquired in satisfaction of claims	364,790	427,230
V.	Others	113,550,747	96,943,245
	TOTAL	**149,460,437**	**125,324,599**

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the bank not acknowledged as debts	116,436	59,375
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	3,000,448,825	1,633,440,599
IV.	Liability on account of outstanding derivative contracts		
	- Single currency Interest Rate Swap	1,141,440,348	900,717,664
	- Others	783,747,908	557,600,726
V.	Guarantees given on behalf on constituents		
	- In India	314,307,933	238,664,671
	- Outside India	-	-
VI.	Acceptances, endorsement and other obligations	411,689,385	319,204,078
VII.	Other items for which the bank is contingently liable		

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(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
-	Purchase of securities pending settlement	9,068,982	2,375,682
-	Capital commitment	2,936,618	1,664,143
-	Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	13,533	4,702
-	Foreign exchange contracts (Tom & Spot)	154,526,423	141,909,961
	TOTAL	**5,818,296,390**	**3,795,641,601**

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2018 includes notional amount of ₹2,315,099,034 thousands and ₹318,672,816 thousands (previous year: ₹1,168,538,967 thousands and ₹195,660,885 thousands) guaranteed by CCIL representing 77.16% and 27.92% (previous year: 71.54% and 21.72%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/discount on advances/bills	154,782,364	122,097,659
II.	Income on investments	41,025,311	37,968,422
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	5,160,730	2,578,210
IV.	Others	1,705,811	1,602,146
	TOTAL	**202,674,216**	**164,246,437**

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	41,379,643	31,399,553
II.	Profit on the sale of investments (net)	5,134,739	7,112,679
III.	Profit/(Loss) on the revaluation of investments (net)	-	-
IV.	Profit/(Loss) on sale of land, building and other assets	(12,892)	182
V.	Profit on exchange transactions (net)	2,315,709	1,018,902
VI.	Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous income	3,421,136	2,036,253
	TOTAL	**52,238,335**	**41,567,569**

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	93,834,137	82,040,497
II.	Interest on Reserve Bank of India/inter-bank borrowings/Tier I and Tier II debt instruments	29,840,501	22,242,771
III.	Others	1,628,986	1,990,099
	TOTAL	**125,303,624**	**106,273,367**

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(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	21,889,199	18,050,433
II.	Rent, taxes and lighting	4,543,758	3,791,818
III.	Printing and stationery	368,753	271,801
IV.	Advertisement and publicity	959,102	1,004,685
V.	Depreciation on Bank's property	2,309,704	1,712,519
VI.	Directors' fees, allowances and expenses	19,848	29,152
VII.	Auditors' fees and expenses	13,685	13,000
VIII.	Law charges	60,940	36,745
IX.	Postage, telegrams, telephones, etc.	604,220	485,551
X.	Repairs and maintenance	345,426	202,262
XI.	Insurance	1,512,106	1,196,321
XII.	Other expenditure	19,501,057	14,371,123
	TOTAL	**52,127,798**	**41,165,410**

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 17 - PROVISIONS & CONTINGENCIES			
I.	Provision for taxation [Refer Sch 18.6.1]	19,697,457	17,140,211
II.	Provision for investments	2,599,443	522,117
III.	Provision for standard advances	1,687,427	831,396
IV.	Provision/write off for non performing advances	10,788,287	6,634,414
V.	Other Provisions	462,878	(53,873)
	TOTAL	**35,235,492**	**25,074,265**

18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

18.1 BACKGROUND

YES BANK Limited (the 'Bank' or 'YES BANK') is a private sector bank promoted by the late Mr. Ashok Kapur and Mr. Rana Kapoor. YES BANK is a publicly held bank engaged in providing a wide range of banking and financial services. YES BANK is a banking company governed by the Banking Regulation Act, 1949. The Bank was incorporated as a limited company under the Companies Act, 1956 on November 21, 2003. The Bank received the licence to commence banking operations from the Reserve Bank of India ('RBI') on May 24, 2004. Further, YES BANK was included to the Second Schedule of the Reserve Bank of India Act, 1934 with effect from August 21, 2004. Also the Bank has a branch at International Financial Services Centre ('IFSC') at GIFT City, Gujarat ('IBU'). The Bank classifies transactions undertaken by IBU as overseas operation.

18.2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

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18.3 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

18.4 SIGNIFICANT ACCOUNTING POLICIES

18.4.1 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- Interest income is recognized in the profit and loss account on accrual basis, except in the case of non-performing assets and accounts under SDR/S4A. Interest on non-performing assets and accounts under SDR/S4A is recognized as per the prudential norms of the RBI. Penal Interest is recognized upon certainty of its realization. RBI has withdrawn the SDR and S4A schemes with effect from February 12, 2018. Accordingly, for cases where the SDR, change in management outside SDR or S4A schemes were not implemented at that date, asset classification and income recognition are done as per the extant RBI norms.
- Dividend income is recognized when the right to receive payment is established.
- Commission on guarantees issued by the Bank is recognized as income over the period of the guarantee.
- Commission on Letters of Credit ('LC') issued by the Bank is recognized as income at the time of issue of the LC.
- Income on non-coupon bearing discounted instruments is recognized over the tenure of the instrument on a straight line basis. In case of coupon bearing discounted instruments, discount income is recognized over the tenor of the instrument on yield basis.
- In case of Bonds and Pass Through Certificates (PTC), premium on redemption, if any, is amortised over the tenure of the instrument on a yield basis.
- Revenue from financial advisory services is recognized in line with milestones achieved as per terms of agreement with clients which is reflective of services rendered.
- Facility fees and loan processing fees are recognised when due and realizable.
- Other fees and commission are accounted for as and when they became due.

18.4.2 Investments

Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015.

Accounting and Classification

The Bank follows settlement date accounting for investments. In compliance with RBI guidelines, all investments, are categorized as "Held for trading" ('HFT'), "Available for sale" ('AFS') or "Held to maturity" ('HTM') at the time of its purchase. For the purpose of disclosure in the balance sheet, investments are classified as disclosed in Schedule 8 ('Investments') under six groups (a) government securities (b) other approved securities (c) shares (d) bonds and debentures (e) subsidiaries and joint ventures and (f) others.

a) Cost of acquisition

Costs such as brokerage pertaining to investments, paid at the time of acquisition and broken period interest are charged to the profit and loss account as per the RBI guidelines.

b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that the 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

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at a discount are transferred to AFS/HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice-a-versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

d) Valuation

Investments categorized under AFS and HFT categories are marked to market (MTM) on a periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule 8 ('Investments') is recognized in the profit and loss account. The net appreciation, if any, in the category under each classification is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to periodic valuation of investments.

Investments received in lieu of restructured advances scheme are valued in accordance with RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. Depreciation on equity shares acquired and held by the Bank under restructuring scheme is provided as per RBI guidelines.

Investments classified under the HTM category are carried at their acquisition cost and any premium over the face value, paid on acquisition, is amortised on a straight line basis over the remaining period to maturity. Amortization expense of premia on investments in the HTM category is deducted from interest income in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. Where in the opinion of management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

Treasury Bills, Commercial Paper and Certificates of deposit being discounted instruments, are valued at carrying cost.

Pass Through Certificates purchased for priority sector lending requirements are valued at Book Value in accordance with RBI guidelines.

The market/ fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/ quotes on the stock exchanges and for Subsidiary General Ledger ('SGL') account transactions, the prices as periodically declared by Financial Benchmarks India Pvt. Ltd. (FBIL).

The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FBIL. Further, in the case of unquoted bonds, debentures, pass through certificates (other than priority sector) and preference shares, valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is netted in the Investment schedule. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit/Loss on settlement of the short position is recognised in the Profit and Loss account.

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

Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity shares are valued at the break-up value if the latest balance sheet is available, else, at ₹1 per company, as per relevant RBI guidelines.

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At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction company are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting date.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Sovereign foreign currency bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non- Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price, Bloomberg Generic price (BGN), last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by Government of India ('GOI') is valued based on FBIL valuation.

Non-performing investments are identified and depreciation/provision are made thereon based on the RBI guidelines. Based on management assessment of impairment, the Bank additionally creates provision over and above the RBI guidelines. The depreciation/provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss account until received.

e) Profit/Loss on sale of Investments

Profit/Loss on sale of Investments in the HTM category is recognized in the profit and loss account and profit thereafter is appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/Loss on sale of investments in HFT and AFS categories is recognized in the Profit and Loss account.

f) Accounting for repos/reverse repos

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) including liquidity adjustment facility (LAF) with RBI are treated as collateralized borrowing and lending transactions respectively in accordance with RBI master circular No. DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and second (reversal of first) leg reflects interest and is recognized as interest income/expense over the period of transaction.

Bank also undertakes Repo and Reverse repo transactions from IFSC Banking Unit in GIFT City in Foreign currency Sovereign Securities and accounting is similar to the domestic repo transactions.

18.4.3 Advances

Accounting and classification

Advances are classified as performing and non-performing based on the relevant RBI guidelines. Advances are stated net of specific provisions, interest in suspense, inter-bank participation certificates issued and bills rediscounted.

Provisioning

Provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level prescribed in relevant RBI guidelines.

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The specific provision levels for retail non-performing assets are also based on the nature of product and delinquency levels. Specific provisions in respect of non-performing advances are charged to the Profit and Loss account and included under Provisions and Contingencies.

As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. These also includes provision for stressed sector exposures. Such provisions are included in Schedule 5 - 'Other liabilities & provisions - Others'.

In respect of restructured standard and non performing advances, provision is made for the present value of principal and interest component sacrificed at the time of restructuring the assets, based on the RBI guidelines.

Accounts are written-off in accordance with the Bank's policies. Recoveries from bad debts written-off are recognised in the Profit and Loss account and included under other income.

In case of loans sold to asset reconstruction company and consideration is more than net book value, the Bank records the security receipts at Net Book Value as per RBI guidelines.

The Bank has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately Risk, High Risk and Very High Risk. The Bank calculates direct and indirect country risk in line with the policy requirements. Indirect exposure is reckoned at 50% of the exposure in case of countries where the net funded exposure exceeds 1% of the Bank's total assets. Further, if the net funded exposure of the Bank in respect of each country exceeds 1% of the Bank's total assets, provisioning is required to be made on exposure to such countries. Depending on the risk category of the country, provisioning is done on a graded scale ranging from 0.25% to 100% for exposures with contractual maturity greater than or equal to 180 days. In respect of short-term exposures with contractual maturity less than 180 days, 25% of the normal provision requirement is held.

18.4.4 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative office) are translated at the daily average closing rates and of non-integral foreign operations (foreign branches) at the monthly average closing rates.

Premia/discounts on foreign exchange swaps, that are used to hedge risks arising from foreign currency assets and liabilities, are amortized over the life of the swap.

Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). Foreign exchange contracts are stated at net present value using LIBOR/SWAP curves of the respective currencies. The resulting profits or losses are recognized in the profit and loss account.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit/loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until remittance or the disposal of the net investment in the non-integral foreign operations in accordance with AS - 11.

18.4.5 Earnings per share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share" notified under section 133 of the Companies Act 2013. Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

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Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity share options outstanding during the period except where the results are anti dilutive. The shareholders of the Bank had approved the sub-division of each equity share having a face value of ₹ 10 into five equity shares having a face value of ₹ 2 each through postal ballot on September 8, 2017. The record date for the sub-division was September 22, 2017. All shares and per share information in the financial results are restated to reflect the effect of sub-division for the year ended March 31, 2017.

18.4.6. Accounting for derivative transactions

Derivative transactions comprises forward rate agreements, swaps and option contracts. The Bank undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

The Bank 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.

Cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings have been designated as cash flow hedges and are measured at fair value. The corresponding gain or loss is recognised as cash flow hedge reserve. Further to match profit/ loss on account of revaluation of foreign currency borrowing, the corresponding amount is recycled from cash flow hedge reserve to Profit and Loss account.

18.4.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit/functioning capability from/of such assets.

18.4.8 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, at the rates mentioned below-

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Class of asset	Useful life of Assets as per Companies Act, 2013	Useful life of Assets as per Bank's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware[1]	6 years	3 years
Computer software*	6 years	4 years
Vehicles[1]	8 years	5 years
Furniture and Fixtures	10 years	10 years
Automated Teller Machines ('ATMs')[1]	15 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

* As per RBI Guidelines.
[1] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

- Assets costing up to ₹5,000 are fully depreciated in the year of purchase.
- For assets purchased/ sold during the year, depreciation is being provided on pro rata basis by the Bank.
- Improvements to leasehold assets are depreciated over the remaining period of lease.
- Reimbursement, if any, is recognised on receipt and is adjusted to the book value of asset and depreciated over the balance life of the asset.
- Whenever there is a revision in the estimated useful life of the asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.
- The useful life of assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

18.4.9 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the recoverable amount of the assets.

18.4.10 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Bank measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

Leave salary

The employees of the Bank are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees cannot encash unavailed/unutilized leave. The Bank provides for leave encashment/compensated absences based on an independent actuarial valuation at the Balance Sheet

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date, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation.

Gratuity

The Bank provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognised in the Profit and Loss account.

Provident fund

In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre determined rate. Contribution to provident fund are recognized as expense as and when the services are rendered. The Bank has no liability for future provident fund benefits other than its annual contribution.

National Pension System (NPS)

The NPS is a defined contribution retirement plan. The primary objective is enabling systematic savings and to provide retirees with an option to achieve financial stability. Pension contributions are invested in the pension fund schemes. The Bank has no liability for future fund benefits other than the voluntary contribution made by employees who agree to contribute to the scheme.

18.4.11 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term in accordance with Accounting Standard -19, Leases.

18.4.12 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognized only if there is virtual certainty of realization of such assets supported by convincing evidence. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

18.4.13 Provisions and contingent assets/ liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank or a present obligation that arises from past events that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Bank does not recognize a contingent liability but discloses its existence in the financial statements.

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, the Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of

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resources and a reliable estimate can be made of the amount of the obligation.

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

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

18.4.14 Cash and Cash equivalent

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

18.4.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

18.4.16 Debit and credit cards reward points

The Bank estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

18.4.17 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on a price quoted by the supplier. The Bank earns a fee on such bullion transactions. The fee is classified in other income. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received thereon is classified as interest expense/income respectively.

18.4.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

18.4.19 Segment information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

18.4.20 Priority Sector Lending Certificates (PSLC)

The Bank in accordance with RBI circular FIDD.CO.Plan. BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

18.5.1 Capital

18.5.1.1 Equity Issue

On September 8, 2017, the shareholders of the Bank approved the sub-division of each equity share having a face value of ₹ 10 into five equity shares having a face value of ₹ 2 each through postal ballot. The record date for the sub-division was September 22, 2017. All shares and per share information in the financial results reflect the effect of such sub-division.

During the financial year ended March 31, 2018, the Bank has issued 20,538,180 shares pursuant to the exercise of stock option aggregating to ₹1,378.65 millions.

During the financial year ended March 31, 2017, the Bank had issued 32,711,000 equity shares of ₹10 each (163,555,000 shares of ₹2 each) for cash pursuant to a Qualified Institutions Placement (QIP) at ₹1,500 aggregating to ₹49,066.50 millions. The Bank accreted ₹48,239.39 millions (net of estimated share issue expenses of ₹500 millions) as premium, on account of QIP. The actual share issue expenses adjusted against share premium was ₹458.48 millions. The Bank also issued 32,43,172 shares (16,215,860 shares of ₹2 each) pursuant to the exercise of stock option aggregating to ₹1,010.12 millions.

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Movement in Share Capital

(₹ in millions)

Share Capital	As at March 31, 2018	As at March 31, 2017
Opening Share Capital	4,564.86	4,205.32
Addition due to exercise of Stock Option	41.07	32.43
Addition due to shares issued to QIP	-	327.11
Closing Share Capital	**4,605.93**	**4,564.86**

18.5.1.2 Proposed Dividend:

From the financial year ended March 31, 2017, the Bank has not accounted for proposed dividend as a liability in accordance with revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016.

The Board of Directors of the Bank has recommended a dividend of ₹2.70 per equity share for approval by shareholders at the 14th Annual General Meeting. If approved, the total liability arising to the Bank would be ₹7,496.43 millions, including dividend tax (previous year: ₹6,605.48 millions). The actual dividend payout may however change due to equity share options exercised by employees between the end of the financial year and the dividend declaration date.

18.5.1.3 Capital Reserve

Profit on sale of investments in the Held to Maturity category is credited to the Profit and Loss Account and thereafter appropriated to capital reserve (net of applicable taxes and transfer to statutory reserve requirements). During the year ₹659.65 millions (previous year: ₹1,083.00 millions) was transferred to Capital Reserve.

18.5.1.4 Investment Reserve

The Bank has transferred ₹ Nil to Investment Reserve (previous year: ₹ Nil) (net of applicable taxes and transfer to statutory reserve requirements) on provisions for depreciation on investments credited to Profit and Loss Account.

18.5.1.5 Cash Flow Hedge Reserve

The Bank has debited ₹83.92 millions to Cash Flow Hedge Reserve (previous year: ₹160.14 millions) on cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings and have been designated as cash flow hedges and are measured at fair value.

18.5.1.6 Capital Adequacy Ratio

Capital Adequacy Ratio as per RBI guidelines as at March 31, 2018 is given below:

(₹ in millions)

Basel – III	As at March 31, 2018	As at March 31, 2017
Common Equity Tier I*	248,503.97	212,980.36
Additional Tier I Capital	88,879.76	35,162.20
Tier-1 capital	337,383.73	248,142.56
Tier-2 capital	132,373.34	69,169.19
Total capital	**469,757.06**	**317,311.75**
Credit Risk – Risk Weighted Assets (RWA)	2,232,542.97	1,624,519.20
Market Risk – RWA	181,613.67	132,321.87
Operational Risk – RWA	139,276.11	106,498.75
Total risk weighted assets	**2,553,432.74**	**1,863,339.82**
Common Equity capital adequacy ratio (%)	9.7%	11.4%
Tier-1 capital adequacy ratio (%)	13.2%	13.3%
Tier-2 capital adequacy ratio (%)	5.2%	3.7%
Total capital adequacy ratio (%)	**18.4%**	**17.0%**
Amount raised during the year by issue of IPDI	54,150.00	30,000.00
Amount raised during the year by issue of Tier II Capital	70,000.00	-

* Adjusted for proposed dividend of ₹2.70 per share and applicable taxes

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18.5.1.7 Tier I and Tier II Capital

During the financial year ended March 31 2018, the Bank has issued Tier I instruments amounting to ₹54,150.00 millions and Tier II instruments amounting to ₹70,000.00 millions:

(₹ in millions)

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Rated, Listed, Non Convertible, Redeemable, Unsecured, Basel III Compliant Tier II Bonds in the nature of debentures	Debentures	September 29, 2017	7.80	10 Years	25,000.00
Rated, Listed, Non Convertible, Redeemable, Unsecured, Basel III Compliant Tier II Bonds in the nature of debentures	Debentures	October 03, 2017	7.80	9 Years 11 Months & 28 Days	15,000.00
Perpetual Subordinated Unsecured Basel III Compliant Additional Tier I Bonds In The Nature Of Debentures	Debentures	October 18, 2017	9.00	Perpetual	54,150.00
Rated, Listed, Non Convertible, Redeemable, Unsecured, Basel III Compliant Tier II Bonds in the nature of debentures	Debentures	February 22, 2018	8.73	10 Years	30,000.00
TOTAL					**1,24,150.00**

During the financial year ended March 31 2017, the Bank had issued Tier I instruments amounting to ₹30,000.00 millions:

(₹ in millions)

Particulars	Nature of Security	Date of Issue	Coupon Rate (%)	Tenure	Amount
Unsecured, Non-convertible, Basel III compliant Tier I Bonds in the nature of debentures	Debentures	December 23, 2016	9.50	Perpetual	30,000.00
TOTAL					**30,000.00**

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18.5.2 Investments

I) Value of Investments

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Gross value of Investments	687,662.67	501,391.82
- In India	677,302.96	499,639.07
- Outside India	10,359.71	1,752.75
Provision for depreciation	3,673.29	1,073.85
- In India*	3,667.74	1,073.85
- Outside India	5.55	-
Net value of Investments	683,989.39	500,317.98
- In India	673,635.22	498,565.23
- Outside India	10,354.16	1,752.75

* Includes a provision of ₹606.24 millions (previous year: ₹400.16 millions) held for non performing investments

II) Movement of provisions held towards depreciation on investments

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	1,073.85	551.73
Add: Provision made during the year	2,617.68	522.39
Less: Write off/write back of provision during the year	18.24	0.27
Closing Balance	**3,673.29**	**1,073.85**

RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 grants banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018. The circular states that the provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. The Bank has recognised the entire net mark to market loss on investments in the respective quarters and has not availed of the said option.

18.5.3 Repo Transactions

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2018:

(₹ in millions)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31-Mar-18
Securities sold under repos				
i) Government Securities	-	48,441.62	4,078.77	5,311.40
ii) Corporate debt securities	-	-	-	-
Security purchased under reverse repo				
i) Government Securities	511.25	85,267.55	20,442.17	47,459.65
ii) Corporate debt securities	-	-	-	-

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The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2017:

(₹ in millions)

		Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31-Mar-17
Securities sold under repos					
i)	Government Securities	-	37,826.57	1,554.05	12,248.91
ii)	Corporate debt securities	-	-	-	-
Security purchased under reverse repo					
i)	Government Securities	-	39,603.90	4,492.37	533.40
ii)	Corporate debt securities	-	-	-	-

The above table represents the book value of securities sold and purchased under repos and reverse repos with interbank counter-parties. It does not include securities sold and purchased under Liquidity Adjusted Facility (LAF) with RBI.

18.5.4 Non-SLR Investment Portfolio

Issuer composition of Non SLR investments as at March 31, 2018 is given below:

(₹ in millions)

No	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities # (c)	Extent of 'unlisted' securities* (d)
i)	PSUs	5,423.34	911.70	-	-	5,423.34
ii)	Financial Institutions	53,731.19	53,726.19	-	264.19	264.19
iii)	Banks	30.22	30.22	-	0.00	0.00
iv)	Private Corporates	102,809.99	91,650.26	50.00	568.12	12,863.92
v)	Subsidiaries/ Joint ventures	1,055.00	1,055.00	-	-	1,055.00
vi)	Others	35,481.69	32,030.53	-	-	35,481.69
vii)	Provision held towards depreciation**	(3,402.88)	-	-	-	-
	TOTAL	**195,128.56**	**179,403.90**	**50.00**	**832.31**	**55,088.14**

*Investments amounting to ₹51,538 millions are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities
excludes investment in equity shares and units.
** Includes a provision of ₹606.24 millions held for non performing investments
Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive

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Issuer composition of Non SLR investments as at March 31, 2017 is given below:

(₹ in millions)

No	Issuer	Amount	Extent of private placement (a)	Extent of 'below investment grade' securities (b)	Extent of 'unrated' securities# (c)	Extent of 'unlisted' securities* (d)
i)	PSUs	12,680.99	12,170.49	-	-	3,333.39
ii)	Financial Institutions	35,646.38	7,555.18	-	1,694.19	4,328.28
iii)	Banks	3,461.84	2,250.00	-	-	-
iv)	Private Corporates	69,130.58	67,424.78	650.00	141.61	8,038.85
v)	Subsidiaries/ Joint ventures	500.00	500.00	-	-	500.00
vi)	Others	24,937.95	24,615.19	-	-	24,937.95
vii)	Provision held towards depreciation**	(844.42)	-	-	-	-
	TOTAL	**145,513.31**	**114,515.64**	**650.00**	**1,835.80**	**41,138.46**

* Investments amounting to ₹35,643 millions are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.
** Includes a provision of ₹400.16 millions held for non performing investments
excludes investment in equity shares and units.
Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive

Non-Performing Investments

(₹ in millions)

Particulars	March 31, 2018	March 31, 2017
Opening Balance	460.09	230.61
Additions during the year	285.76	390.26
Reductions during the year	70.91	160.78
Closing Balance	**674.94**	**460.09**
Total Provision Held	**606.24**	**400.16**

Sales and transfers of securities to/from Held to Maturity (HTM) category

The Bank has not sold or transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, shifting of securities explicitly permitted by the Reserve Bank from time to time, sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and repurchase of Government securities by Government of India from banks as permitted by RBI.

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18 5.5 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, 2018 is given below:

(₹ in millions)

Sr. No	Items	As at March 31, 2018	As at March 31, 2017
i)	The notional principal of swap agreements	1,141,440.35	900,717.66
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements[1]	1,760.74	1,409.73
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps		
	[Percentage Exposure to Banks][1]	21.56%	12.81%
	[Percentage Exposure to PSUs][1]	52.29%	45.66%
v)	The fair value of the swap book[2]	(285.43)	(618.01)
	- INBMK	(39.32)	(344.68)
	- MIBOR	(317.97)	(279.23)
	- MIFOR	129.79	73.98
	- FCY IRS	(57.93)	(68.08)

[1] Losses and Credit risk concentration are measured as net receivable under swap contracts
[2] Fair values represent mark-to-market including accrued interest.

The nature and terms of the Rupee IRS as on March 31, 2018 are set out below:

(₹ in millions)

Nature	Nos	Notional Principal	Benchmark	Terms
Hedging	2	750.00	MIFOR	Fixed Payable V/S Floating Receivable
Trading	13	15,760.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	473	235,350.32	MIBOR	Fixed Payable V/S Floating Receivable
Trading	498	206,242.32	MIBOR	Fixed Receivable V/S Floating Payable
Trading	252	95,332.30	MIFOR	Fixed Payable V/S Floating Receivable
Trading	134	54,299.10	MIFOR	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as on March 31, 2018 are set out below:

(₹ in millions)

Nature	Nos	Notional Principal	Benchmark	Terms
Hedging	2	39,105.00	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	400	201,337.24	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	400	174,714.57	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	162	102,673.66	USD LIBOR	Floating Receivable V/S Floating Payable
Trading	18	2,652.59	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	18	2,872.49	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	1	123.01	JPY LIBOR	Fixed Payable V/S Floating Receivable
Trading	2	4,613.88	GBP LIBOR	Fixed Receivable V/S Floating Payable
Trading	2	4,613.88	GBP LIBOR	Fixed Payable V/S Floating Receivable

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The nature and terms of the Rupee IRS as on March 31, 2017 are set out below:

(₹ in millions)

Nature	Nos	Notional Principal	Benchmark	Terms
Hedging	10	4,500.00	MIFOR	Fixed Payable V/S Floating Receivable
Hedging	6	1,500.00	MIBOR	Fixed Receivable V/S Floating Payable
Trading	25	23,010.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1	1,000.00	INBMK	Fixed Receivable V/S Floating Payable
Trading	356	193,456.86	MIBOR	Fixed Payable V/S Floating Receivable
Trading	332	171,039.17	MIBOR	Fixed Receivable V/S Floating Payable
Trading	194	72,387.40	MIFOR	Fixed Payable V/S Floating Receivable
Trading	95	42,291.40	MIFOR	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as on March 31, 2017 are set out below:

(₹ in millions)

Nature	Nos	Notional Principal	Benchmark	Terms
Trading	348	189,592.35	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	256	167,004.10	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	68	32,348.25	USD LIBOR	Floating Receivable V/S Floating Payable
Trading	10	1,253.50	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	9	1,218.63	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	1	116.01	JPY LIBOR	Fixed Payable V/S Floating Receivable

18.5.5.2 Un-hedged/uncovered foreign currency exposure of the Bank

The Bank's foreign currency exposures as at March 31, 2018 that are not hedged/covered by either derivative instruments or otherwise are within the Net Overnight Open Position limit (NOOP) and the Aggregate Gap limit, as approved by the RBI. NOOP is ₹1,353.36 millions as at March 31, 2018 (March 31, 2017 ₹2,582.21 millions).

18.5.5.3 Exchange Traded Interest Rate Derivatives

The following table sets forth, for the period indicated, the details of exchange traded interest rate derivatives:

(₹ in millions)

Sr.No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year :		
	- 6.79% Government Securities 2027	35,757.20	-
	-7.72% Government Securities 2025	-	800.00
	-7.59% Government Securities 2026	-	694.80
2	Notional Principal amount of exchange traded interest rate derivatives outstanding	-	-
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective"	N.A.	N.A.

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18.5.5.4 Currency Futures

The Bank had dealt in exchange traded currency forwards (Futures) during the financial year ended March 31, 2018 and March 31, 2017. As at March 31, 2018 and March 31, 2017 the open contracts on the exchange were ₹ Nil.

18.5.5.5 Disclosures on risk exposure in derivatives

As per RBI Master circular DBR.BP.BC.No.23/21.04.018/2015-16 dated July 1, 2015, the following disclosures are being made with respect to risk exposure in derivatives of the Bank:

a) Purpose: The Bank uses Derivatives including Forwards & swaps for various purposes including hedging its currency and interest rate risk in its balance sheet, customer offerings and proprietary trading. The management of these products and businesses is governed by Market Risk Policy, Investment Policy, Derivatives Policy, Derivatives Appropriate ness Policy, Hedging Policy and ALM policy.

b) Structure: The Board of Directors of the Bank have constituted a Board level sub-committee, the Risk Monitoring Committee ('RMC') and delegated to it all functions and responsibilities relating to the risk management policy of the Bank and its supervision thereof.

c) As part of prudent business and risk management practice, the Bank has also instituted a comprehensive limit and control structure encompassing Value-at-Risk (VAR), Sensitivity, Greeks, Stop loss & credit limits for derivative transactions including suitability and appropriateness framework. The Bank has an internal reporting mechanism providing regular reports to the RMC as well as management of the Bank. Such a structure helps the Bank to monitor and mitigate market risk across FX and interest rates.

d) The Bank has an independent Middle Office and Market Risk functions, which are responsible for monitoring, measurement, and analysis of derivative related risks, among others. The Bank has a Credit Risk Management unit which is responsible for setting up counterparty limits and also a treasury operation unit which is responsible for managing operational aspects of derivatives control function and settlement of transactions. The Bank is subject to a concurrent audit for all treasury transactions, including derivatives transactions, a monthly report of which is periodically submitted to the Audit & Compliance Committee of the Bank.

e) In addition to the above, the Bank independently evaluates the potential credit exposure on account of all derivative transactions, wherein risk limits are specified separately for each product, in terms of both credit exposure and tenor. As mandated by the Credit Policy of the Bank, the Bank has instituted an approval structure for all treasury/derivative related credit exposures. Wherever necessary, appropriate credit covenants are stipulated as trigger events to call for collaterals or terminate a transaction and contain the risk.

f) The Bank reports all trading positions to the management on a daily basis. The Bank revalues its trading position on a daily basis for Management and Information System ('MIS') and control purposes and records the same in the books of accounts on a monthly basis.

g) For derivative contracts in the banking book designated as hedge, the Bank documents at the inception of the relationship between the hedging instrument and the underlying exposure, the risk management objective for undertaking the hedge and the ALCO monitors all outstanding hedges on a periodical basis. Further the Bank's 'Hedging Policy' has stipulated conditions to ensure that the Hedges entered into are effective.

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h) Refer Note 18.4.6 for accounting policy on derivatives.

The details of derivative transactions as at March 31, 2018 and March 31, 2017 are given below:

(₹ in millions)

Sr. No	Particular	Currency derivatives [1]		Interest rate derivatives [4]	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
i)	***Derivatives (Notional Principal Amount)***				
	a) For hedging	27,349.32	30,661.91	39,855.00	6,000.00
	b) For trading	756,398.59	526,938.81	1,101,585.35	894,717.66
ii)	***Marked to market positions[2]***				
	a) Asset (+)	9,189.21	9,755.07	5,481.15	3,700.51
	b) Liability (-)	8,273.63	8,728.58	5,599.59	4,318.16
iii)	***Credit exposure[3]***	56,452.85	46,832.11	17,500.44	12,732.74
iv)	***Likely impact of one percentage change in interest rate (100*PV01) (Refer Note 1&2 below)***				
	a) on hedging derivatives	479.20	429.68	1,726.80	33.69
	b) on trading derivatives	535.57	1,015.23	2,100.19	2,139.12
v)	***Maximum and minimum of 100*PV01 observed during the year (Refer Note 1&2 below)***				
	a) on hedging				
	Maximum	604.30	707.40	1,798.95	114.11
	Minimum	364.25	429.68	3.62	33.68
	b) on trading				
	Maximum	1,025.93	1,065.87	2,216.24	2,153.40
	Minimum	409.68	299.20	1,394.45	824.17

[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, 2018 amounted to ₹2,999,631.85 millions (previous year: ₹1,631,110.62 millions). For these trading contracts, at March 31, 2018, marked to market position was asset of ₹21,147.95 millions (previous year: ₹35,428.99 millions) and liability of ₹20,920.03 millions (previous year: ₹40,014.63 millions). The notional principal amount of foreign exchange contracts classified as hedging at March 31, 2018 amounted to ₹816.98 millions (previous year: ₹2,329.98 millions). Credit exposure on forward exchange contracts at March 31, 2018 was ₹93,577.45 millions (previous year: ₹66,733.58 millions) of which exposure on CCIL is ₹56,459.69 millions (previous year: ₹35,132.52 millions).

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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, 2018 and the year ended March 31, 2017 are given below :

(₹ in millions)

No.	Particulars	March 31, 2018	March 31, 2017
(i)	Net NPA to Net Advances	0.64%	0.81%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	20,185.57	7,489.81
	(b) Additions (Fresh NPAs during the year)	82,157.37	26,323.22
	Subtotal (A)	102,342.94	33,813.03
	Less:		
	(i) Up-gradations	33,264.06	3,707.52
	(ii) Recoveries	35,724.93	8,499.11
	(iii) Write-offs	7,085.93	1,420.83
	Sub-total (B)	76,074.92	13,627.46
	Gross NPAs (closing balance) (A-B)	26,268.02	20,185.57
(iii)	Movement of Net NPAs		
	(a) Opening Balance	10,722.68	2,844.74
	(b) Additions during the year	68,015.64	18,812.46
	(c) Reductions during the year	65,610.86	10,934.52
	(d) Closing balance	13,127.46	10,722.68
(iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
	(a) Opening balance	9,462.89	4,645.07
	(b) Additions during the year	14,141.74	7,510.76
	(c) write off/write back of excess provision	10,464.07	2,692.94
	(d) Closing balance	13,140.56	9,462.89

The Bank does not have any advances which are outstanding in the books of the branches, but have been written-off (fully or partially) at Head Office level.

18.5.6.2 Provision coverage Ratio

The provision coverage ratio of the Bank as at March 31, 2018 computed as per the RBI guidelines is 50.02% (previous year: 46.88%).

18.5.6.3 Divergence in Asset Classification and Provisioning for NPAs

- The Bank classifies performing and non-performing advances (NPAs) as per the RBI's Prudential Norms on Income recognition, Asset Classification and Provisioning.

- Based on application of RBI's prudential norms as stated above, the Bank classified and made the prescribed provisions against the NPAs as at the end of 31st March, 2017.

- As part of the Risk Based Supervision (RBS) exercise for FY 2016-17 concluded in October 2017, the RBI has pointed out certain retrospective divergence in the Bank's asset classification and provisioning as on 31st March 2017. In conformity with the RBI circulars DBR.BP.BC.NO.63/21.04.018/2016-17 issued on April 18, 2017, SEBI circular issued on July 18, 2017 and as per approval from the Board of Directors at its Board Meeting held on October 26, 2017, the below table outlines divergences in asset classification and provisioning.

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(₹ in millions)

Sr. No	Particulars	
1	Gross NPAs as on March 31, 2017 as reported by the Bank	20,185.57
2	Gross NPAs as on March 31, 2017 as assessed by RBI	83,737.57
3	Divergence in Gross NPAs (2-1)	63,551.99
4	Net NPAs as on March 31, 2017 as reported by the Bank	10,722.68
5	Net NPAs as on March 31, 2017 as assessed by RBI	58,916.24
6	Divergence in Net NPAs (5-4)	48,193.56
7	Provision for NPAs as on March 31, 2017 as reported by the Bank	9,462.89
8	Provision for NPAs as on March 31, 2017 as assessed by RBI	24,821.38
9	Divergence in provisioning (8-7)	15,358.49
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	33,300.96
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	23,161.28

The net current impact of the aforementioned retrospective slippages due to divergence noted by RBI in October 2017 has been duly reflected in the results for the year ended March 31, 2018.

Out of the total divergence current position as on Mar 31, 2018 is as under:

Particulars		(₹ in millions)	%
1.	Net Repayments (In full/partial)*	24,343.47	38.30%
2.	Sold to Asset Reconstruction Company (ARC) against Security Receipts** (non cash component)	8,031.58	12.64%
3.	Outstanding as on March 31, 2018 (a+b):	31,176.94	49.06%
	a) Upgraded as Standard on account of satisfactory account conduct	26,326.94	41.43%
	b) Classified as NPA***	4,850.00	7.63%
	Total (1+2+3)	**63,551.99**	

* includes cash received from ARC for loans sold
** Recorded at Net book value of ₹5,681.97 millions
*** Corresponding provision carried is 40%

18.5.6.4 Concentration of NPAs

Exposure (Funded + Non Funded) of the Bank to top four NPA is ₹14,510.13 millions as at March 31, 2018 (previous year: ₹15,553.78 millions).

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18.5.6.5 Sector-wise Advances and NPA

The details of Sector-wise Gross Advances and Gross NPAs as at March 31, 2018 and March 31, 2017 are given below:

(₹ in millions)

Sector	As at March 31, 2018			As at March 31, 2017		
	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	108,333.92	1,152.95	1.06%	79,305.47	2,923.35	3.69%
Advances to industries sector eligible as priority sector lending	101,882.22	559.16	0.55%	60,135.24	305.81	0.51%
Gems and Jewellery	*24,830.95*	-	-	*17,281.13*	-	-
Services	215,285.26	764.18	0.35%	141,046.10	649.46	0.46%
NBFC's	*14,045.13*	*171.14*	*1.22%*	*18,832.51*	*189.50*	*1.01%*
Personal Loans	407.33	8.07	1.98%	-	-	-
Others	22,107.22	16.60	0.08%	12,924.53	3.14	0.02%
Sub-Total (A)	**448,015.95**	**2,500.96**	**0.56%**	**293,411.34**	**3,881.76**	**1.32%**
Non Priority Sector						
Agriculture and Allied activities	5,319.14	0.00	0.00%	2,173.21	45.66	2.10%
Industry	1,037,517.44	22,282.04	2.15%	679,595.25	15,518.26	2.28%
Construction	*109,338.86*	*2,576.69*	*2.36%*	*81,825.57*	*1,247.91*	*1.53%*
Electricity (generation-transmission and distribution)	*185,688.75*	*7,539.25*	*4.06%*	*128,295.73*	*1,747.32*	*1.36%*
Services	450,248.18	1,060.75	0.24%	314,300.22	647.79	0.21%
Commercial Real Estate	*146,172.40*	*115.93*	*0.08%*	*106,007.73*	*107.49*	*0.10%*
Tourism, Hotel and Restaurants	*67,879.79*	*108.00*	*0.16%*	*56,107.01*	-	-
Personal Loans	27,654.56	140.12	0.51%	9,312.94	5.16	0.06%
Others	79,723.91	284.15	0.36%	33,296.70	86.95	0.26%
Sub-Total (B)	**1,600,463.23**	**23,767.06**	**3.25%**	**1,038,678.32**	**16,303.82**	**1.57%**
TOTAL (A+B)	**2,048,479.18**	**26,268.02**	**1.28%**	**1,332,089.64**	**20,185.57**	**1.52%**

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18.5.6.6 Restructured Accounts

The details of accounts Restructured during the year ended March 31, 2018 are given below:

(₹ in millions)

No.	Type of Restructuring	Restructured Accounts as on April 1 of the FY (opening figures)			Fresh restructuring during the year			Downgradations of restructured accounts during the FY			Upgradations to restructured standard category during the FY			Write-offs/Sale/Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
	Asset Classification	No. of borrowers	Amount outstanding as at March 31,2017	Provision thereon as at March 31,2017	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	Provision thereon	No. of borrowers	Amount outstanding as at March 31,2018	Provision thereon as at March 31,2018
1	*CDR*																		
	Standard	1	9.52	0.48	-	-	-	-	-	-	-	-	-	(1)	(9.52)	(0.48)	-	-	-
	Substandard	2	281.48	212.29	-	-	-	(2)	(281.48)	(212.29)	-	-	-	-	-	-	-	-	-
	Doubtful	-	-	-	-	-	69.19	2	281.48	212.29	-	-	-	-	(33.00)	(33.00)	2	248.48	248.48
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**3**	**291.00**	**212.77**	**-**	**-**	**69.19**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**(42.52)**	**(33.48)**	**2**	**248.48**	**248.48**
2	*Others*																		
	Standard	10	5,700.94	502.40	-	79.75	3.99	(5)	(1,489.19)	(280.10)	(2)	(3,347.93)	(167.40)	-	(30.29)	(7.17)	3	913.27	51.72
	Substandard	-	-	-	-	-	109.79	1	243.97	36.60	-	-	-	-	-	-	1	243.97	146.38
	Doubtful	2	97.44	65.25	-	23.59	373.59	4	1,245.22	243.51	(1)	(52.93)	(20.74)	(1)	(152.19)	(44.51)	4	1,161.13	617.10
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**12**	**5,798.38**	**567.65**	**-**	**103.34**	**487.37**	**-**	**-**	**-**	**(3)**	**(3,400.86)**	**(188.14)**	**(1)**	**(182.48)**	**(51.68)**	**8**	**2,318.37**	**815.21**
3	*Grand Total*																		
	Standard	11	5,710.46	502.88	-	79.75	3.99	(5)	(1,489.19)	(280.10)	(2)	(3,347.93)	(167.40)	(1)	(39.81)	(7.65)	3	913.27	51.72
	Substandard	2	281.48	212.29	-	-	109.79	(1)	(37.51)	(175.69)	-	-	-	-	-	-	1	243.97	146.38
	Doubtful	2	97.44	65.25	-	23.59	442.78	6	1,526.70	455.80	(1)	(52.93)	(20.74)	(1)	(185.19)	(77.51)	6	1,409.61	865.58
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**15**	**6,089.38**	**780.42**	**-**	**103.34**	**556.56**	**-**	**-**	**-**	**(3)**	**(3,400.86)**	**(188.14)**	**(2)**	**(225.01)**	**(85.16)**	**10**	**2,566.85**	**1,063.68**

Notes:-

1. There are no SME cases which have been restructured during the year ended March 31, 2018.
2. There have been 3 accounts upgraded of restructured advances during the year ended March 31, 2018.
3. The outstanding amount and number of borrowers as at March 31, 2018 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 ₹27 millions in the amount outstanding.
5. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
6. Additional facilities availed by borrowers in existing restructured accounts are disclosed under “Fresh restructuring during the year” and partial repayments in existing restructured accounts are disclosed under “Write-offs/sale/recovery of restructured accounts”, however, for the purpose of arithmetical accuracy, the number of existing borrowers availing additional facility or partial repayments have been ignored for presentation purpose.
7. For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBR.BP.BC.No.23/21.04.018/2015-16 movement in provisions in the existing restructured account as compared to opening balance, is disclosed under column fresh restructuring(for increase in provision) and write-off/sale/recovery(for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

The details of accounts Restructured during the year ended March 31, 2017 are given below:

(₹ in millions)

No.	Type of Restructuring	Restructured Accounts as on April 1 of the FY (opening figures)			Fresh restructuring during the year			Downgradations of restructured accounts during the FY			Write-offs/Sale/Recovery of restructured accounts during the FY			Restructured Accounts as on March 31 of the FY		
	Asset Classification	No. of borrowers	Amount outstanding as at March 31,2016	Provision thereon as at March 31,2016	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding	Provision thereon	No. of borrowers	Amount outstanding as at March 31,2017	Provision thereon as at March 31,2017
1	*CDR*															
	Standard	4	642.39	186.61	-	-	-	(2)	(425.78)	(113.46)	(1)	(207.09)	(72.68)	1	9.52	0.48
	Substandard	-	-	-	-	-	-	2	425.78	113.46	-	(144.30)	98.83	2	281.48	212.29
	Doubtful	1	8.55	8.55	-	-	-	-	-	-	(1)	(8.55)	(8.55)	-	-	-
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**5**	**650.94**	**195.16**	**-**	**-**	**-**	**-**	**-**	**-**	**(2)**	**(359.94)**	**17.6**	**3**	**291.00**	**212.77**
2	*Others*															
	Standard	10	5,491.07	496.71	-	432.13	49.51	-	-	-	-	(222.27)	(43.81)	10	5,700.94	502.40
	Substandard	2	102.84	61.96	-	-	-	(2)	(102.84)	(61.96)	-	-	-	-	-	-
	Doubtful	-	-	-	-	-	-	2	102.84	61.96	-	(5.40)	3.29	2	97.44	65.25
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**12**	**5,593.91**	**558.67**	**-**	**432.13**	**49.51**	**-**	**-**	**-**	**-**	**(227.67)**	**(40.52)**	**12**	**5,798.38**	**567.65**
3	*Grand Total*															
	Standard	14	6,133.46	683.32	-	432.13	49.51	(2)	(425.78)	(113.46)	(1)	(429.36)	(116.50)	11	5,710.46	502.88
	Substandard	2	102.84	61.96	-	-	-	-	322.94	51.50	-	(144.30)	98.83	2	281.48	212.29
	Doubtful	1	8.55	8.55	-	-	-	2	102.84	61.96	(1)	(13.95)	(5.26)	2	97.44	65.25
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	**17**	**6,244.86**	**753.83**	**-**	**432.13**	**49.51**	**-**	**-**	**-**	**(2)**	**(587.61)**	**(22.92)**	**15**	**6,089.38**	**780.42**

Notes:-

1. There are no SME cases which have been restructured during the year ended March 31, 2017.
2. There have been no upgradations of restructured advances during the year ended March 31, 2017.
3. The outstanding amount and number of borrowers as at March 31, 2017 is after considering recoveries and sale of assets during the year.
4. The above table pertains to advances and does not include investment in shares of net book value of ₹119.15 millions in the amount outstanding.
5. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
6. Additional facilities availed by borrowers in existing restructured accounts are disclosed under “Fresh restructuring during the year” and partial repayments in existing restructured accounts are disclosed under “Write-offs/sale/recovery of restructured accounts”, however, for the purpose of arithmetical accuracy, the number of existing borrowers availing additional facility or partial repayments have been ignored for presentation purpose.
7. For the purpose of arithmetical accuracy as required by Para 3.4.2. (xii) of RBI circular no DBR.BP.BC.No.23/21.04.018/2015-16 movement in provisions in the existing restructured account as compared to opening balance, is disclosed under column fresh restructuring(for increase in provision) and write-off/sale/recovery(for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

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18.5.7 Disclosure of schemes for stressed assets - Flexible Structuring of Existing Loans

(₹ in millions)

Period	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
For the year ended March 31, 2017	2*	1,254.72	-	5.48 years	9.63 years
For the year ended March 31, 2018	1	848.40	-	2.5 years	7.2 years

** one account has been classified as NPA as of March 31, 2018.*

18.5.8 Disclosures on Strategic Debt Restructuring Scheme (SDR) (accounts which are under the stand-still period)

(₹ in millions)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
-	-	-	-	-	-	-

As of March 31, 2018 there was no account under the stand-still period in the Strategic Debt Restructuring Scheme.

18.5.9 Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

(₹ in millions)

No. of accounts where Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
-	-		-	-	-		-	-

As of March 31, 2018 there was no account under the stand-still period in the outside Strategic Debt Restructuring Scheme. During the year ended March 31, 2018 one account was restructured as per resolution plan implemented in accordance with the revised framework issued by RBI through notification "Resolution of Stressed Assets – Revised Framework" dated February 12, 2018.

18.5.10 Disclosures on Change in Ownership of Projects Under Implementation

There are no accounts where the Bank has decided to effect the change of ownership of projects under Implementation

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18.5.11 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on March 31, 2018

(₹ in millions)

Particulars	No. of accounts where S4A has been implemented	Aggregate amount outstanding	Amount outstanding		Provision Held
			In Part A	In Part B	
Classified as Standard	3	1,303.61	1066.80	236.81	253.17
Classified as NPA	-	-	-	-	-

18.5.12 Financial assets sold to Securitization Company /Reconstruction Company for Asset Reconstruction

a) Details of Financial assets sold to Securitization/Reconstruction Company during the year ended March 31, 2018 are as follows-

(₹ in millions)

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
(i)	No. of accounts	8	5
(ii)	Aggregate principal value (net of specific provisions) of accounts sold to SC/RC	15,803.78	9,568.84
(iii)	Aggregate consideration (includes Net Book Value of Security Receipts of ₹12,114.88 millions (previous year: ₹7,778.30 millions)	17,911.10	9,362.70
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain/(loss) over net book value*	2,107.32	(206.14)

*As per the extant RBI guidelines, the Bank has not recognized the gains in the financial statements and has recorded the Security Receipts at Net Book Value (NBV). If the sale value is lower than the net book value, the entire loss has been written off in the year of sale.

b) Details of Investments held as Security Receipts received by sale of NPA to Securitization/Reconstruction Company as at March 31, 2018 and March 31, 2017 are as follows-

(₹ in millions)

Particulars	Backed by NPAs* sold by the Bank as underlying		Backed by NPAs* sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Net Book value of investments in security receipts	18,847.22	9,771.36	-	-	18,847.22	9,771.36

* Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

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c. Details of ageing of Investments held as Security Receipts as at March 31, 2018 are as follows-

(₹ in millions)

		SRs issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 years	SRs more than 8 years ago
(i)	Book Value of SRs backed by NPAs* sold by the Bank as underlying	21,201.01	-	-
Provision held against (i)		2,353.80	-	-
(ii)	Book value of SRs backed by NPAs* sold by other banks/ financial institutions/non-banking financial companies as underlying	-	-	176.96
Provision held against (ii)		-	-	176.96
	Total (i) + (ii)	**21,201.01**	**-**	**176.96**

*Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

Details of ageing of Investments held as Security Receipts as at March 31, 2017 are as follows-

(₹ in millions)

		SRs issued within Past 5 Years	SRs issued more than 5 years ago but within past 8 years	SRs more than 8 years ago
(i)	Book Value of SRs backed by NPAs* sold by the Bank as underlying	9,941.36	-	-
Provision held against (i)		170.00	-	-
(ii)	Book value of SRs backed by NPAs* sold by other banks/ financial institutions/non-banking financial companies as underlying	-	-	211.03
Provision held against (ii)		-	-	211.03
	Total (i) + (ii)	**9,941.36**	**-**	**211.03**

*Includes all Security Receipts received by Bank on sale of assets as permitted under RBI circular DBOD.BP.BC.No. 98/21.04.132/2013-14 dated February 26, 2014.

18.5.13 Non-performing financial assets purchased/ sold from/ to other bank

The Bank has not purchased/sold any non performing financial assets from/to other bank during the year ended March 31, 2018 and March 31, 2017.

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18.5.14 Provisions for Standard Assets

Provision on standard advances is ₹9,493.91 millions and ₹7,806.48 millions as at March 31, 2018 and March 31, 2017 respectively.

During the year, the Bank has made certain modifications to its Master Rating scale and Credit Labeling mechanism for establishing additional general provision on standard advances and has fully adopted the requirements of RBI's circular dated April 18, 2017 Ref no RBI/2016-17/282-DBR.No.BP.BC.64/21.04.048/2016-17 that requires banks to make provisions at higher rates in respect of standard advances to stressed sectors of the economy. Also, the Bank has made provision on accounts under the Insolvency and Bankruptcy Code (IBC) as identified by RBI.

18.5.15 Business ratios

Particulars		As at March 31, 2018	As at March 31, 2017
i)	Interest income as a percentage to working funds[1]	8.55%	8.93%
ii)	Non interest income as a percentage to working funds[1]	2.20%	2.26%
iii)	Operating profit as a percentage to working funds[1]	3.27%	3.17%
iv)	Return on assets[1]	1.78%	1.81%
v)	Business (deposits + net advances) per employee (₹ in millions)[2]	213.02	159.55
vi)	Profit per employee (₹ in millions)[2]	2.30	2.00

[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.

18.5.16 Asset Liability Management

The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2018

(₹ in millions)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 day	10,988.03	137,582.88	13,024.30	-	14,880.51	193.47
2 days to 7 days	13,100.67	30,880.58	82,984.05	49,556.74	17,967.18	10,924.44
8 days to 14 days	13,216.35	35,252.15	63,368.79	3,380.43	2,842.68	5,178.34
15 days to 30 days	72,905.99	75,887.61	81,897.55	14,135.49	19,366.13	13,097.10
31 days to 2 months	52,563.54	23,284.64	137,014.31	18,042.32	8,389.32	13,384.64
Over 2 to 3 months	62,912.23	22,200.05	115,962.90	33,629.88	12,158.69	27,379.05
Over 3 to 6 months	148,767.19	35,487.29	202,682.14	69,982.00	15,531.12	59,634.76
Over 6 to 12 months	265,795.20	61,563.74	389,251.43	24,335.08	25,143.58	39,802.43
Over 1 year to 3 years	708,650.71	44,110.38	181,873.32	131,991.66	45,377.19	61,440.64
Over 3 years to 5 years	358,786.63	134,284.60	719,657.50	101,783.36	72,149.10	93,754.96
Over 5 years	327,652.08	83,455.47	19,665.19	302,098.86	25,085.58	29,695.44
TOTAL	**2,035,338.63**	**683,989.39**	**2,007,381.48**	**748,935.81**	**258,891.07**	**354,485.28**

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The following table sets forth the maturity pattern of assets and liabilities of the Bank as on March 31, 2017

(₹ in millions)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 day	25,371.95	56,563.85	10,960.90	-	23,165.57	167.36
2 days to 7 days	9,606.86	33,828.82	66,724.67	14,641.34	20,484.61	3,937.22
8 days to 14 days	15,683.99	27,620.67	33,571.39	424.57	2,338.20	2,047.95
15 days to 30 days	36,958.01	52,523.03	50,992.89	13,258.39	7,234.39	2,980.43
31 days to 2 months	47,559.54	19,981.25	104,135.42	15,010.27	8,536.04	12,614.30
Over 2 to 3 months	66,717.94	20,557.00	75,918.76	11,799.14	11,306.34	11,725.05
Over 3 to 6 months	94,725.31	43,776.81	210,790.81	42,010.05	12,385.62	30,052.75
Over 6 to 12 months	191,443.78	49,855.62	246,530.81	48,896.13	15,154.47	54,515.84
Over 1 year to 3 years	421,372.13	29,801.27	116,422.63	29,419.88	19,649.42	27,304.52
Over 3 years to 5 years	198,757.09	98,707.12	490,442.48	45,425.21	20,411.53	39,115.94
Over 5 years	214,430.17	67,102.54	22,247.81	165,181.75	22,286.03	24,749.51
TOTAL	**1,322,626.77**	**500,317.98**	**1,428,738.57**	**386,066.73**	**162,952.21**	**209,210.87**

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Maturity profile of foreign currency assets and liabilities is excluding Off Balance Sheet item.

18.5.17 Exposures

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market and real estate.

18.5.17.1 Exposure to Real Estate Sector

The exposure, representing the higher of funded and non-funded limits sanctioned or outstanding to real estate sector, is given in the table below:

(₹ in millions)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
i)	***Direct exposure***		
	Residential Mortgages	37,895.13	17,279.91
	Commercial Real Estate*	254,879.15	166,117.19
	Of total Commercial real estate - exposure to residential real estate projects	*174,818.07*	*125,810.16*
	Of total Commercial Real Estate outstanding as advances	*164,404.61*	*109,287.29*
	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	- Residential	757.85	1,257.16
	- Commercial Real Estate	-	-
ii)	***Indirect exposure***		
	Fund based and non fund based exposures on National Housing Board and Housing Finance Companies	63,456.04	47,235.56
	TOTAL	**356,988.17**	**231,889.82**

*Commercial real estate exposure classification is based on RBI circular DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009.

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18.5.17.2 Exposure to Capital Market

The exposure representing the higher of funded and non-funded limits sanctioned or outstanding to capital market sector is given in the table below:

(₹ in millions)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
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;	204.88	159.41
ii)	advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	3,736.64	834.85
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;	2,237.61	1,703.10
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;*	9,488.19	7,931.82
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;	23,171.23	9,220.00
vii)	financing for acquisition of equity in overseas companies	12,949.56	2,248.20
viii)	bridge loans to companies against expected equity flows/issues;	-	-
ix)	underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
x)	financing to stockbrokers for margin trading	-	-
xi)	all exposures to Venture Capital Funds (both registered and unregistered)	173.00	182.17
	Total Exposure to Capital Market	**51,961.11**	**22,279.55**

Capital market exposure is reported in line with Para 2.3 of RBI's Master Circular on Exposure Norms dated July 1, 2015 (DBR.No.Dir. BC.12/13.03.00/2015-16).

* Out of the above ₹2,150.00 millions is exposure to YES Securities (India) Ltd, which is a subsidiary of the Bank.

18.5.17.3 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. As at March 31, 2018 and March 31, 2017, the Bank's funded exposure to any individual country did not exceed 1% of the total funded assets of the Bank:

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(₹ in millions)

Risk Category	Exposure (net) as at March 31, 2018	Provision held as at March 31, 2018	Exposure (net) as at March 31, 2017	Provision held as at March 31, 2017
Insignificant	223,896.21	-	117,252.28	-
Low	54,802.82	-	22,690.02	-
Moderately Low	1,750.32	-	369.64	-
Moderate	704.61	-	548.05	-
Moderate High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
TOTAL	**281,153.96**	**-**	**140,859.99**	**-**

18.5.17.4 Details of Single Borrower Limit (SBL) and Group Borrower Limit (GBL)

During the year ended March 31, 2018 and March 31, 2017, 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, 2018, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Reliance Industries Limited (Reliance Group) within the ceiling of 20% of Capital Funds. As on March 31, 2018, the exposure to Reliance Industries Limited as a percentage of capital funds was 12.3%.

During the year ended March 31, 2018, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Essar Oil Limited (Rosneft Trafigura-UCP Consortium Group) within the ceiling of 20% of Capital Funds. As on March 31, 2018, the exposure to Essar Oil Limited (Rosneft Trafigura-UCP Consortium Group) as a percentage of capital funds was 10.6%.

During the year ended March 31, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Nirma Limited within the ceiling of 20% of Capital Funds. As on March 31, 2017, the exposure to Nirma Limited as a percentage of capital funds was 0.1%.

During the year ended March 31, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in single borrower limit for Reliance Ports and Terminals Limited (infrastructure company) within the ceiling of 25% of Capital Funds. As on March 31, 2017, the exposure to Reliance Ports and Terminals Limited as a percentage of capital funds was 4.6%.

During the year ended March 31, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in group borrower limit for Reliance Group within the ceiling of 55% of Capital Funds. As on March 31, 2017, the exposure to Reliance Group as a percentage of capital funds was 21%.

During the year ended March 31, 2017, with the prior approval of the Board of Directors, the Bank sanctioned enhancement in group borrower limit for Tata Group within the ceiling of 55% of Capital Funds. As on March 31, 2017, the exposure to Tata Group as a percentage of capital funds was 18.3%.

18.5.17.5 Details of factoring exposure

The factoring exposure of the Bank as on March 31, 2018 is ₹7,362.30 millions (previous year: ₹4,426.83 millions)

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18.6 MISCELLANEOUS

18.6.1 Income Taxes

Provisions made for Income Tax during the year

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax expense	22,385.22	18,395.53
Deferred income tax credit	(2,687.77)	(1,255.32)
TOTAL	**19,697.45**	**17,140.21**

18.6.2 Disclosure of penalties imposed by RBI

(₹ in millions)

	For the year ended March 31, 2018
Penalty on account of non-compliance with the directions issued by RBI on Income Recognition Asset Classification (IRAC) norms and delayed reporting of information security incident involving ATMs of the bank.	60.00
Penalties on account of counterfeit notes/ soiled notes remitted by branches and currency chest	0.07
TOTAL	**60.07**

During the financial year ended March 31, 2017, there were no penalties imposed on the Bank by RBI.

18.6.3 Fees/ Remuneration received from bancassurance

Bank has earned ₹767.80 millions from bancassurance business during year ended March 31, 2018 (previous year: ₹1,003.58 millions).

18.6.4 Concentration of Deposits

As at March 31, 2018, the deposits of top 20 depositors aggregated to ₹244,366.30 millions (previous year: ₹158,244.68 millions) (excluding certificate of deposits, which are tradable instruments), representing 12.17% (previous year: 11.08%) of the total deposit base.

18.6.5 Concentration of Advances

As at March 31, 2018 the top 20 advances aggregated to ₹484,353.89 millions (previous year: ₹330,579.80 millions), representing 12.72% (previous year: 12.38%) of the total advances. For this purpose, advance is computed as per definition of Credit Exposure in RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

18.6.6 Concentration of Exposures

As at March 31, 2018 the top 20 exposures aggregated to ₹556,575.44 millions (previous year: ₹361,516.54 millions), representing 13.68% (previous year: 12.55%) of the total exposures. Exposure is computed as per definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

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18.6.7 Overseas Assets, NPAs and Revenue

The below table shows total assets, NPAs and revenue for the overseas branches of the Bank

(₹ in millions)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Total assets	181,840.46	68,375.44
Total NPAs	-	-
Total revenue	9,184.00	1,947.93

18.6.8 Sponsored SPVs

The Bank has not sponsored any SPV and hence there is no consolidation due to SPVs in Bank's books.

18.6.9 Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2018 (previous year: Nil).

18.6.10 Credit/Debit card reward points

During financial year ending March 31, 2018, the Bank has provided ₹77.70 millions for accumulated rewards points on credit and debit card (previous year: ₹34.42 millions) using an actuarial valuation method by employing an independent actuary.

18.6.11 Corporate Social Responsibility (CSR)

a) Amount required to be spent by the Bank on CSR during the year was ₹772.21 millions (previous year: ₹600.17 millions).

b) Amount spent towards CSR during the year and recognised as expense in the Profit and Loss account on CSR related activities is ₹452.13 millions (previous year: ₹416.62 millions), which comprise of following –

(₹ in millions)

		March 31, 2018			March, 31 2017		
		In cash	Amt unpaid/ provision	Total	In cash	Amt unpaid/ provision	Total
i.	Construction/acquisition of any asset	-	-	-	-	-	-
ii.	On purposes other than (i) above	397.89	54.24	452.13	371.93	44.69	416.62

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18.6.12 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, 2018 and March 31, 2017:

a) Changes in present value of Obligations

(₹ in millions)

	As at March 31, 2018	As at March 31, 2017
Present Value of Obligation at the beginning of the year	873.21	606.85
Interest Cost	60.03	44.34
Current Service Cost	256.57	189.14
Past Service Cost	-	-
Benefits Paid	(103.59)	(43.63)
Actuarial (gain)/loss on Obligation	42.92	76.51
Present Value of Obligation at the end of the year	1,129.14	873.21

Changes in the fair value of planned assets:

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair value of plan assets at the beginning of the year	870.91	549.52
Adjustment to Opening Balance	4.25	5.39
Expected return on plan assets	60.92	54.57
Contributions	321.34	298.08
Benefits paid	(103.59)	(43.63)
Actuarial gain/(loss) on planned assets	(9.48)	6.95
Fair value of planned assets at the end of the period	1,144.35	870.91

The Bank has entire contribution of Gratuity Fund as Investments with Insurance Companies.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Net gratuity cost for the year ended March 31, 2018 and March 31, 2017 comprises the following components:

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Service Cost	256.57	189.14
Interest Cost	60.03	44.35
Expected Return on plan assets	(60.92)	(54.57)
Net Actuarial gain recognized in the year	52.40	69.55
Past Service Cost	-	-
Expenses recognized	308.08	248.47

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Experience History:

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
(Gain)/Loss on obligation due to change in assumption	(70.88)	46.39	14.11	33.71	(62.75)
Experience (Gain)/Loss on obligation	113.80	30.12	(9.26)	(51.13)	5.34
Actuarial Gain/(Loss) on planned assets	(5.21)	6.96	(14.25)	(2.49)	(5.70)

The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount Rate	7.60%	6.88%
Expected Return on Plan Assets	7.00%	8.00%
Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
Future Salary Increases	12.00%	12.00%
Disability	-	-
Attrition	13%-25%	13%-25%
Retirement	60 yrs	60 yrs

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset/liability

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair value of planned assets at the end of the period	1,144.35	870.89
Present Value of Obligation at the end of the year	1,129.15	873.21
Plan asset/(liability)	15.20	(2.32)

The Bank is yet to determine future contribution to Gratuity fund for Financial Year 2018-19

National Pension Scheme

The Bank has contributed ₹15.22 millions for the year ended March 31, 2018 (March 31, 2017: ₹7.84 millions) to NPS for employees who had opted for the scheme. The Bank has no liability for future fund benefits other than its annual contribution for the employees who agree to contribute to the scheme.

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18.6.13 Segment Results

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) - Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- **Treasury:** Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, Proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.
- **Corporate/Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2018 are set out below:

(₹ in millions)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	65,927.05	166,358.80	29,728.16	1,954.12	263,968.13
Less: Inter-segment					9,044.11
Revenue net of inter-segment					254,924.02
Result	29,460.99	54,748.04	(5,907.63)	1,108.21	79,409.61
Unallocated Expenses					(17,466.51)
Operating Profit					61,943.10
Income Taxes					9,697.46
Extra-ordinary Profit/(Loss)					-
Net Profit					42,245.64
Other Information:					
Segment assets	1,022,128.60	1,714,630.32	371,370.33	329.97	3,108,459.22
Unallocated assets					15,996.81
Total assets					**3,124,456.03**
Segment liabilities	751,075.32	1,261,531.12	750,850.50	4,724.60	2,768,181.54
Unallocated liabilities					356,274.49
Total liabilities					**3,124,456.03**

Other banking operations includes income from bancassurance business ₹767.80 millions during year ended March 31, 2018.

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Segmental results for the year ended March 31, 2017 are set out below:

(₹ in millions)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	53,675.73	132,153.77	19,650.80	1,649.77	207,130.06
Less: Inter-segment					(1,316.79)
Revenue net of inter-segment					205,813.27
Result	25,403.84	40,748.28	(6,714.34)	1,114.12	60,551.90
Unallocated Expenses					(10,110.72)
Operating Profit					50,441.18
Income Taxes					17,140.21
Extra-ordinary Profit/(Loss)					-
Net Profit					33,300.96
Other Information:					
Segment assets	781,769.97	1,167,731.80	190,912.42	263.80	2,140,677.99
Unallocated assets					9,921.19
Total assets					**2,150,599.18**
Segment liabilities	437,090.24	873,263.06	577,399.92	1,167.69	1,888,920.91
Unallocated liabilities					261,678.27
Total liabilities					**2,150,599.18**

Other banking operations includes income from bancassurance business ₹1,003.58 millions during year ended March 31, 2017.

Notes for segment reporting:

1. The business of the Bank is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).

2. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.

3. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.

4. The unallocated assets Includes tax paid in advance/tax deducted at source and deferred tax asset.

5. The unallocated liabilities include Share Capital, Reserves & Surplus and Tier 1 bond borrowings.

6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

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18.6.14 Related Party Disclosures

The Bank has transactions with its related parties comprising of subsidiary, key management personnel and the relative of key management personnel

As per AS 18 "Related Party Disclosures", notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Bank's related parties for the year ended March 31, 2018 are disclosed below:

Subsidiary

- Yes Securities (India) Limited
- Yes Asset Management (India) Limited
- Yes Trustee Limited

Individuals having significant influence:

- Mr. Rana Kapoor, Managing Director & CEO

Key Management Personnel ('KMP') (Whole time Director)

- Mr. Rana Kapoor, Managing Director & CEO

Related party to key management personnel

- Late Mrs. Sheela Kapoor
- Mrs. Raakhe Kapoor Tandon (transaction till March 31, 2017)

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2018:

(₹ in millions)

Items/Related Party Category	Subsidiaries	Maximum Balance during the year	Whole time directors/ individual having significant influence	Maximum Balance during the year	Relatives of whole time directors/ individual having significant influence	Maximum Balance during the year
Deposits	495.44*	746.93	#	#	#	#
Investment	1,055.00 *	1,055.00				
Advances (Overdraft)	150.38	374.00				
Interest received	3.88					
Interest paid	9.32		#		#	
Reimbursement of						
Cost incurred	25.43					
Receiving of services	8.34		#			
Dividend paid			#			
Payable to subsidiary	1.07					
Receivable from Subsidiary	3.10					
Sale of assets	5.24					

* Represents outstanding as of March 31, 2018
In Financial Year 2017-18 there was only one related party in the said category, hence the Bank has not disclosed the details of transactions in accordance with circular issued by the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks".

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The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2017:

(₹ in millions)

Items/Related Party Category	Subsidiaries	Maximum Balance during the year	Whole time directors/ individual having significant influence	Maximum Balance during the year	Relatives of whole time directors/ individual having significant influence	Maximum Balance during the year
Deposits	164.13*	273.94	#	#	5.77*	25.51
Investment	500.00*	500.00				
Interest	8.09		#		0.97	
Reimbursement of Cost incurred	2.65					
Receiving of services	15.83		#			
Dividend paid			#			
Purchase of fixed asset	-					
Sale of fixed asset	6.39					

* Represents outstanding as of March 31, 2017
In Financial Year 2016-17 there was only one related party in the said category, hence the Bank has not disclosed the details of transactions in accordance with circular issued by the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks".

18.6.15 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2018 was ₹4,041.06 millions (previous year: ₹3,334.71 millions).

As at March 31, 2018 and March 31, 2017 the Bank had certain non-cancellable outsourcing contracts for information technology assets and branches on rent. The future minimum lease obligations against the same were as follows:

(₹ in millions)

Lease obligations	As at March 31, 2018	As at March 31, 2017
Not later than one year	3,674.42	2,563.00
Later than one year and not later than five years	14,583.08	9,048.44
Later than five years	16,627.33	11,345.53
TOTAL	**34,884.83**	**22,956.97**

The Bank does not have any provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

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18.6.16 Earnings Per Share ('EPS')

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings Per Share". The dilutive impact is mainly due to stock options granted to employees by the Bank.

The computation of earnings per share is given below:

	Year ended March 31, 2018	Year ended March 31, 2017
Basic (annualised)		
Weighted average no. of equity shares outstanding	2,292,768,279	2,110,704,005
Net profit/(loss)	42,245.64	33,300.96
Basic earnings per share (₹)	18.43	15.78
Diluted (annualised)		
Weighted average no. of equity shares outstanding	2,339,752,831	2,168,766,030
Net profit/(loss)	42,245.64	33,300.96
Diluted earnings per share (₹)	18.06	15.35
Nominal value per share (₹)	2	2

The difference between weighted average number of equity shares outstanding between basic and diluted in the above mentioned disclosure is on account of outstanding ESOPs.

Basic earnings per equity share has been computed by dividing net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive. The dilutive impact is on account of stock options granted to employees by the Bank. There is no impact of dilution on the profits in the current year and previous year.

All shares and per share information in the above table are restated at ₹2 per equity shares to reflect the effect of sub-division for the periods presented.

18.6.17 ESOP disclosures

Statutory Disclosures Regarding Joining Stock Option Scheme:
The Bank has Five Employee Stock Option Schemes viz.

- Joining Employee Stock Option Plan II (JESOP II),
- Joining Employee Stock Option Plan III (JESOP III),
- YBL ESOP (consisting of two sub schemes JESOP IV/PESOP I)
- YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010).

The schemes include provisions for grant of options to eligible employees of the Bank and its subsidiaries/affiliates. All the aforesaid schemes have been approved by the 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.

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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, 2018 and March 31, 2017 is set out below:

	As at March 31, 2018		As at March 31, 2017	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	64,802,165	20,614,950	73,685,100	22,945,000
Granted during the year	3,847,500	1,697,500	4,360,250	4,107,500
Exercised during the year	15,590,830	4,947,350	11,130,685	5,085,175
Forfeited/lapsed during the year	6,801,500	1,402,000	2,112,500	1,352,375
Options outstanding at the end of the year	46,257,335	15,963,100	64,802,165	20,614,950
Options exercisable	18,413,585	2,277,350	22,639,665	4,122,450
Weighted average exercise price (₹)	64.76	74.59	61.54	63.95
Weighted average remaining contractual life of outstanding option (yrs)	1.78	1.82	1.86	2.12

The Bank has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2018 and March 31, 2017. 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 ₹414.98 millions (previous year: ₹464.49 millions), the basic earnings per share would have been ₹18.24 (previous year: ₹15.56) per share instead of ₹18.43 (previous year: ₹15.78) per share; and diluted earnings per share would have been ₹17.88 (previous year: ₹15.14) per share instead of ₹18.06 (previous year: ₹15.35) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2018 and March 31, 2017.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Risk free interest rate	6.29%-9.23%	6.29%-9.23%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	25.01%-48.72%	25.01%-50.67%
Expected dividends	1.20%	1.50%

In computing the above information, certain estimates and assumptions have been made by the Management.

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18.6.18 Deferred Taxation

The deferred tax asset of ₹8,717.59 millions as at March 31, 2018 and ₹6,029.82 millions as at March 31, 2017, 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 millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax asset		
Depreciation	415.56	279.76
Provision for gratuity and unutilized leave	208.24	171.48
Provision for Non Performing Assets	2,926.75	1,440.86
Amortization of premium on HTM securities	1,025.76	678.82
Provision for standard advances	3,220.59	2,636.61
Other Provisions	920.69	822.29
Deferred tax asset	**8,717.59**	**6,029.82**

18.6.19 Provisions and Contingencies

The breakup of provisions of the Bank for the year ended March 31, 2018 and March 31, 2017 are given below:

(₹ in millions)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for taxation	19,697.46	17,140.21
Provision for investments	2,599.44	522.12
Provision for standard advances	1,687.43	831.40
Provision made/write off for non performing advances	10,788.29	6,634.41
Others Provisions*	462.88	(53.87)
TOTAL	**35,235.50**	**25,074.27**

* Other Provisions includes provision made against other assets.

18.7 OTHER DISCLOSURES

18.7.1 Disclosure on Remuneration

a. ***Information relating to the composition and mandate of the Nomination & Remuneration Committee.-***

The Board of Directors of the Bank through its Nomination and Remuneration Committee (N&RC) shall exercise oversight & effective governance over the framing and implementing of the Compensation policy. The N&RC shall comprise a minimum of 3 non-executive Directors, majority being Independent Directors.

Composition of the N&RC of the Bank as on March 31, 2018 is as follows:

- Mr. Brahm Dutt, Independent Director (Chairman)
- Mr. Mukesh Sabharwal, Independent Director
- Mr. Ajai Kumar, Non-Executive Non-Independent Director

The roles and responsibilities of the N&RC are as under-

- To review the 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

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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:
  a. The composition of the existing Committees of the Board and to examine annually whether there is any need to have a special committee of directors to meet the business requirements of the Bank and accordingly recommend to the Board for formation of a special committee.
  b. Review the Terms of Reference of the Board Level Committees and recommend the changes therein, if any, to the Board;
- To scrutinize nominations for Independent/ Non-Executive Directors with reference to their qualifications and experience and making recommendations to the Board for appointment/filling of vacancies;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- To Formulate criteria for evaluation of performance of independent directors and the board of directors;
- To carry out evaluation of every director's performance;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To validate 'fit and proper' status of all Directors on the Board of the Bank in terms of the Guidelines issued by the RBI or other regulatory authorities;
- To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;
- To implement policies and processes relating to Corporate Governance principles;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To devise a Policy on Board diversity;
- To recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees including performance/achievement bonus, perquisites, retirals, sitting fee, etc.;
- 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:
  a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the company successfully;
  b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  c. remuneration to Whole time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the company and its goals.
- To consider grant of Stock Options to employees including employees of subsidiaries and administer and supervise the Employee Stock Option Plans;
- To function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014 and is authorized to allot shares pursuant to exercise of Stock Options by employees;
- To review the Human Capital Capacity Planning on annual basis;

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- To review the list of risk takers on annual basis;
- To review the HCM Policies and provide suitable guidance for additions/ modification/ deletions, if any;
- To review the Succession Planning; and
- To perform any other functions or duties as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

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

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Benefits structure in line with Industry practices and statutory requirements as applicable from time to time.

d. ***Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.***

The Bank ensures that the compensation remains adjusted for all types of risk, symmetrical with risk outcomes as well as sensitive to the time horizon of risk. Further, the compensation in all forms will be consistent with the risk alignment.

One of the key factors to be considered for the Annual Review /revision of Fixed Compensation (TCC) & Performance Bonus includes individual performance based on the Annual Performance Review (APR) process of the Bank. The evaluation on risk management parameters is an integral part of the Annual Performance Review process, forming part of Key Result Areas of the executives with suitable weightage. The inputs for assessment on these parameters will be independently provided by the Risk Management function of the Bank.

For the services pertaining to financial year 2016-17 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 4 meetings of the N&RC held during the year ended March 31, 2018. The Bank had paid a remuneration of ₹0.60 millions to the members of the N&RC for attending the meetings of the N&RC.

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(₹ in millions)

			No of employee	For the year ended March 31, 2018	No of employees	For the year ended March 31, 2017
a.	(i)	Number of employees having received a variable remuneration award during the financial year. (refer Note below)	8	78.50	6	101.94
	(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.		Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (refer Note below)	2	18.33	4	63.48
c.		Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred				
		Total remuneration award	9	374.33	6	351.52
		Of which Fixed Component	8	295.83	6	249.58
		Of which Variable Component	8	78.50	6	101.94
		Deferred	-	-	2	30.00
		Paid	8	78.50	6	71.94
d.	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. (refer Note below)	2	18.33	4	63.48
	(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments. (refer Note below)	-	-	-	-
	(iii)	Total amount of reductions during the financial year due to ex- post implicit adjustments. (change in variable payout due to change in Market Conditions). (refer Note below)	-	-	-	-

Note:

1. Amounts disclosed represents variable pay paid during the year ended March 31,2018 and March 31,2017 is for services rendered by the risk takers during the year March 31, 2017 and March 31,2016 respectively, as the bonus pool for the year ended March 31, 2018 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, 2018, 6,50,000 esops were issued to 6 risk takers (previous year: 75,000 esops to 1 risktaker)

18.7.2 Movement in Floating Provisions

The Bank has not created or utilized any floating provisions during the financial year ended March 31, 2018 and financial year ended March 31, 2017. The floating provision as at March 31, 2018 was ₹ Nil (previous year: ₹ Nil).

18.7.3 Drawdown on Reserves

During the financial year ended March 31, 2018, the Bank has not drawn down any reserve. (previous year: ₹ Nil).

18.7.4 Liquidity Coverage Ratio (LCR)

The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2017-18.

(₹ In millions)

Particulars		Current Year							
		Quarter ended March 31, 2018 *		Quarter ended December 31, 2017 *		Quarter ended September 30, 2017 *		Quarter ended June 30, 2017 *	
		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		468,477.25		420,824.31		376,294.19		350,581.77
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	590,780.00	55,606.81	552,467.44	51,839.55	515,565.30	48,344.81	486,671.00	45,624.69
(i)	Stable deposits	69,423.82	3,471.19	68,143.92	3,407.20	64,234.38	3,211.72	60,848.12	3,042.41
(ii)	Less stable deposits	521,356.17	52,135.62	484,323.52	48,432.35	451,330.92	45,133.09	425,822.88	42,582.29
3	Unsecured wholesale funding, of which:	808,950.66	362,569.64	707,639.46	340,451.08	682,228.78	333,869.15	642,052.75	320,329.86
(i)	Operational deposits (all counterparties)	76,099.31	19,024.83	-	-	-	-		-
(ii)	Non-operational deposits (all counterparties)	732,851.35	343,544.81	707,639.46	340,451.08	682,228.78	333,869.15	642,052.75	320,329.86
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	12,096.76	-	16,876.56	-	5,709.79	-	9,487.66	-
5	Additional requirements, of which	17,928.43	16,949.04	18,393.86	16,192.89	16,527.70	13,208.66	22,093.13	14,831.27
(i)	Outflows related to derivative exposures and other collateral requirements	16,840.22	16,840.22	15,948.33	15,948.33	12,839.88	12,839.88	14,024.40	14,024.40
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	1,088.21	108.82	2,445.53	244.55	3,687.82	368.78	8,068.73	806.87
6	Other contractual funding obligations	54,076.79	54,076.79	48,498.59	48,498.59	30,497.92	30,497.92	31,363.15	31,363.15
7	Other contingent funding obligations	1,315,133.32	50,399.92	1,199,059.34	46,225.14	1,166,913.98	44,734.58	1,087,179.77	41,228.28
8	**Total Cash Outflows**	**2,798,965.95**	**539,602.19**	**2,542,935.25**	**503,207.24**	**2,417,443.47**	**470,655.12**	**2,278,847.47**	**453,377.26**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	64,696.90	-	47,089.37	-	87,865.41	-	110,993.16	-
10	Inflows from fully performing exposures	81,518.76	37,900.50	59,509.80	25,876.11	56,335.38	17,963.84	57,198.63	20,827.27
11	Other cash inflows	42,835.91	42,835.91	40,445.29	40,445.29	37,219.86	37,219.86	35,621.31	35,621.31
12	**Total Cash Inflows**	**189,051.56**	**80,736.41**	**147,044.46**	**66,321.39**	**181,420.65**	**55,183.70**	**203,813.10**	**56,448.58**
13	**TOTAL HQLA**		**468,477.25**		**420,824.31**		**376,294.19**		**350,581.77**
14	**Total Net Cash Outflows**		**458,865.78**		**436,885.85**		**415,471.42**		**396,928.68**
15	**Liquidity Coverage Ratio (%)**		**102.1%**		**96.3%**		**90.6%**		**88.3%**

* For all the quarters in the current year, the average weighted and unweighted amounts are calculated taking simple average of daily positions.

The following table sets forth, the daily average of unweighted and weighted values for quarter ending March 31, 2017 and monthly average for 3 quarters from April 16 to Dec 16 in FY2016-17.

(₹ In millions)

Particulars		Previous Year							
		Quarter ended March 31, 2017 *		Quarter ended December 31, 2016 **		Quarter ended September 30, 2016 **		Quarter ended June 30, 2016 **	
		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		327,891.84		314,675.27		272,087.65		254,712.23
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	470,892.25	44,131.16	442,227.21	41,397.89	385,453.50	36,157.30	354,846.40	33,261.83
(i)	Stable deposits	59,161.34	2,958.07	56,496.66	2,824.83	47,760.91	2,388.05	44,456.14	2,222.81
(ii)	Less stable deposits	411,730.91	41,173.09	385,730.55	38,573.05	337,692.59	33,769.26	310,390.26	31,039.03
3	Unsecured wholesale funding, of which:	603,965.68	298,218.25	574,284.36	277,418.52	571,006.96	277,467.19	573,734.00	275,332.12
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	603,965.68	298,218.25	574,284.36	277,418.52	571,006.96	277,467.19	573,734.00	275,332.12
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	16,804.53	-	17,684.08	-	2,999.50	-	20,724.64	-
5	Additional requirements, of which	14,841.95	10,519.87	14,198.43	9,995.48	13,589.50	10,348.67	11,209.50	7,707.90
(i)	Outflows related to derivative exposures and other collateral requirements	10,039.64	10,039.64	9,528.49	9,528.49	9,988.58	9,988.58	7,318.83	7,318.83
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	4,802.32	480.23	4,669.94	466.99	3,600.92	360.09	3,890.67	389.07
6	Other contractual funding obligations	35,341.11	35,341.11	33,437.97	33,437.97	33,468.70	33,468.70	23,510.20	23,510.20
7	Other contingent funding obligations	1,012,163.79	38,129.54	961,781.66	36,363.71	874,501.84	33,232.21	821,540.35	31,058.09
8	**Total Cash Outflows**	**2,154,009.32**	**426,339.93**	**2,043,613.71**	**398,613.58**	**1,881,019.99**	**390,674.07**	**1,805,565.08**	**370,870.14**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	66,657.26	-	28,668.09	-	91,843.75	-	114,655.69	-
10	Inflows from fully performing exposures	56,872.61	19,572.26	29,297.04	3,737.57	44,596.20	19,457.24	32,286.73	8,068.38
11	Other cash inflows	34,551.82	34,551.82	37,109.64	37,109.64	46,919.68	46,919.68	56,421.07	56,421.07
12	**Total Cash Inflows**	**158,081.69**	**54,124.08**	**95,074.77**	**40,847.21**	**183,359.64**	**66,376.92**	**203,363.49**	**64,489.45**
13	**TOTAL HQLA**		**327,891.84**		**314,675.27**		**272,087.65**		**254,712.23**
14	**Total Net Cash Outflows**		**372,215.85**		**357,766.37**		**324,297.15**		**306,380.69**
15	**Liquidity Coverage Ratio (%)**		**88.1%**		**88.0%**		**83.9%**		**83.1%**

* The average weighted and unweighted amounts are calculated taking simple average of daily positions for 90 days starting 1st January 2017 to 31st March 2017, for quarter ended March 31, 2017.

** The average weighted and unweighted amounts are calculated taking simple average of month-end positions from April 2016 to December 2016.

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Liquidity Coverage Ratio (LCR):

As per the RBI guidelines, the minimum LCR required to be maintained by banks shall be implemented in a phased manner from January 1, 2015 as given below.

Starting from January 1	2015	2016	2017	2018	2019
Minimum LCR	60.0%	70.0%	80.0%	90.0%	100.0%

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 09, 2014 and November 28, 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR),Liquidity Risk Monitoring Tools and LCR Disclosure Standards" as amended for "Prudential Guidelines on Capital Adequacy and Liquidity Standards" dated March 31, 2015. The LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows by January 01, 2019. However, with a view to provide transition time, the guidelines mandate a minimum requirement of 60% w.e.f. January 01, 2015 and a step up of 10% every year to reach the minimum requirement of 100% by January 01, 2019. The LCR applicable from January 01, 2018 onwards is 90%.

- The adequacy in the LCR maintenance is an outcome of a conscious strategy of the Bank towards complying with LCR mandate ahead of the stipulated timelines. The maintenance of LCR, both on end of period and on a average basis, has been on account of multiple factors viz. increase in excess SLR, existing eligibility in Corporate Bond Investments, increase in Retail deposits and increase in non callable deposits.
- The Board of Directors of the Bank has empowered ALCO (Top Management Executive Committee) to monitor and strategize the Balance Sheet profile of the Bank. In line with the business strategy, ALCO forms an Interest Rate/Liquidity view for the bank with the help of the economic analysis provided by the in-house economic research team of the bank. ALCO of the Bank channelizes various business segments of the Bank to target good quality asset and liability profile to meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank.
- Funding strategies are formulated by the ALCO of the Bank. The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs. Accordingly, BSMG (Balance Sheet Management Group) of the Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis under ALCO guidance. With the help of Structural and Liquidity Statement prepared by the Bank, BSMG evaluates liquidity requirement and takes necessary action. Periodical reports are also placed before the ALCO for perusal and review.
- The Bank's HQLA comprises of Excess CRR, Excess SLR, eligible foreign sovereign investments, Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) as permitted under prudential guidance and eligible Level 2 investments. The Bank has a very limited exposure to liquidity risk on account of its Derivatives portfolio. Further, the Bank believes that all inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR. Further, SLR investments as well as Corporate Bond portfolio of the Bank considered for HQLA are well diversified across various instruments and Liquid Asset Type are likely to provide the Bank with adequate and timely liquidity.
- The daily average LCR for quarter ending March 31, 2018 is 102.1% which is above RBI prescribed minimum requirement of 90%.
- The Bank has started classifying deposit as operational deposit based on the ALCO approved methodology w.e.f. from January 01, 2018 for the purpose of LCR computation.

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18.7.5 Intra-Group Exposures

The Bank has three subsidiaries viz. "YES Securities (India) Limited, Yes Asset Management (India) Limited and Yes Trustee Limited." Below mentioned are details of Intra-Group Exposure as of March 31, 2018 and March 31, 2017.

(₹ in millions)

Particulars	As of March 31, 2018	As of March 31, 2017
Total amount of intra-group exposures	2,150.00	2,050.00
Total amount of top-20 intra-group exposures	2,150.00	2,050.00
Percentage of intra-group exposures to total exposure of the bank on borrowers/ customers (%)	0.05	0.07

During the year ended 31 March, 2018 and 31 March, 2017, the intra-group exposures were within the limits specified by RBI.

18.7.6 Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in millions)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance of the amount transferred to DEAF	4.70	0.36
Add: Amounts transferred to DEAF during the year	8.83	4.34
Less: Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	13.53	4.70

18.7.7 Investor Education and Protection Fund

The unclaimed dividend amount due to be transferred to the Investor Education and Protection Fund (IEPF) during the year ended March 31, 2018 has been transferred without any delay

18.7.8 Unhedged Foreign Currency Exposure of Bank's Customer

The Bank has in place a policy on managing credit risk arising out of unhedged foreign currency exposures of its borrowers. The objective of this policy is to maximize the hedging on foreign currency exposures of borrowers by reviewing their foreign currency product portfolio and encouraging them to hedge the unhedged portion. In line with the policy, assessment of unhedged foreign currency exposure is a part of assessment of borrowers and is undertaken while proposing limits or at the review stage. Additionally, at the time of sanctioning limits for all clients, the Bank stipulates a limit on the unhedged foreign currency exposure of the client (as a % of total foreign currency exposure sanctioned by the Bank) after considering factors such as internal rating of the borrower, size, possibility of natural hedging, sophistication of borrower and maturity of borrower's financial systems, relative size of unhedged foreign currency exposure with respect to total borrowings of the client, etc. Further, the Bank reviews the unhedged foreign currency exposure across its portfolio on a periodic basis. The Bank also maintains incremental provision and capital towards the unhedged foreign currency exposures of its borrowers in line with the extant RBI guidelines.

The Bank has maintained provision of ₹560.49 millions (previous year: ₹558.08 millions) and additional capital of ₹1,710.94 millions (previous year: ₹2,413.54 millions) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2018.

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18.7.9 Provisioning pertaining to Fraud Accounts

The Bank has reported 91 cases of fraud in the financial year ended March 31, 2018 amounting to ₹9.51 millions (previous year: 61 cases amounting to ₹160.77 millions). The Bank has expensed off/ provided for the expected loss arising from these frauds and does not have any unamortized provision.

18.7.10 Disclosure of complaints

A. Customer Complaints

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
i)	No. of Complaints pending at the beginning of the year	2,617	1,258
ii)	No. of Complaints received during the year	84,580	61,998
iii)	No. of Complaints redressed during the year	84,516	60,639
iv)	No. of Complaints pending at the end of the year	2,681	2,617

Auditors have relied upon the information presented by management as above.

B. Awards passed by the Banking Ombudsman

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
i)	No. of unimplemented Awards at the beginning of the year	Nil	Nil
ii)	No. of Awards passed by the Banking Ombudsman during the year	Nil	Nil
iii)	No. of Awards implemented during the year	Nil	Nil
iv)	No. of unimplemented Awards at the end of the year	Nil	Nil

18.7.11 Dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of interest payments due to delays in such payments to Micro, Small and Medium enterprises.

Auditors have relied upon the above management assertion.

18.7.12 Securitization Transactions

The Bank has not done any securitization transactions during the year ended March 31, 2018 and March 31, 2017.

18.7.13 Letter of comfort

The Bank has not issued any letter of comfort which is not recorded as contingent liability during the year ended March 31, 2018 and March 31, 2017.

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18.7.14 Software Capitalized under Fixed Assets

The Bank has capitalized software under Fixed Asset amounting to ₹1,418.30 millions and ₹821.43 millions during the financial year ended March 31, 2018 and March 31, 2017 respectively.

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017
At cost at March 31st of preceding year	2,488.26	1,666.83
Additions during the year	1,418.30	821.43
Deductions during the year	(183.93)	-
Depreciation to date	(1,939.86)	(1,487.59)
Net block	**1,782.77**	**1,000.67**

18.7.15 Provision for Long Term contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

18.7.16 PSLCs sold and purchased during the ended March 31, 2018

(₹ in millions)

Particulars	2017-18		2016-17	
	Purchased	Sold	Purchased	Sold
PSLC - Agriculture	-	-	-	-
PSLC - SF/MF	58,000.00	-	22,500.00	-
PSLC - Micro Enterprises	-	-	-	-
PSLC – General	12,800.00	-	-	-

SCHEDULES
forming Part of Financial Statements

18.7.17 Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts.	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4.	Other items for which the Bank is contingently liable	- Purchase of securities pending settlement - Capital commitments - Amount deposited with RBI under Depositor Education Awareness Fund - Foreign Exchange Contracts (Tom & Spot)
	Refer Schedule 12 for amounts relating to contingent liability	

Prior period comparatives
previous year's figures have been regrouped where necessary to conform to current year classification.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
April 26, 2018

For and on behalf of the Board of Directors
YES BANK Limited

Rana Kapoor
Managing Director & CEO
(DIN:00320702)

Ashok Chawla
Non Executive (Independent) Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN:02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Raj Ahuja
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To,
The Members of YES Bank BANK Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of YES Bank Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the 'Act') that give a true and fair view of the consolidated state of affairs, consolidated profit and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatements.

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the 'Other Matter' paragraph below, 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, and based on the consideration of report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, their consolidated profit and consolidated cash flows for the year ended on that date.

OTHER MATTER

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹508 millions as at 31 March 2018, total revenues of ₹8 millions and net cash inflows amounting to ₹477 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

(e) On the basis of the written representations received from the directors of the Holding Company and those subsidiary companies audited by us as on 31 March 2018 taken on record by the Board of Directors of the respective companies and the report of the statutory auditors of the other subsidiary company, none of the directors of the Group companies is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

INDEPENDENT AUDITOR'S REPORT

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

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 18.19 to the consolidated financial statements.

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 18.21 to the consolidated financial statements.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31 March 2018.

(iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W – 100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
26 April 2018

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF YES BANK LIMITED

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

In conjunction with our report of the consolidated financial statements of YES Bank Limited and its subsidiaries (collectively referred to as the 'Group') as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of YES Bank Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (the 'Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply

ANNEXURE A

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Holding Company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company is based on the corresponding report of the auditors of this company.

Our opinion on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act is not modified in respect of the above matter with respect to our reliance on the work done and the report of other auditor.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W – 100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
26 April 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

(₹ in thousands)

	Schedule	As at Mar 31, 2018	As at Mar 31, 2017
CAPITAL AND LIABILITIES			
Capital	1	4,605,934	4,564,858
Reserves and surplus	2	252,919,138	215,831,445
Deposits	3	2,006,886,036	1,428,574,438
Borrowings	4	748,935,808	386,066,730
Other liabilities and provisions	5	111,149,620	115,559,428
TOTAL		**3,124,496,536**	**2,150,596,899**
ASSETS			
Cash and balances with Reserve Bank of India	6	114,257,489	69,520,697
Balances with banks and money at call and short notice	7	133,280,682	126,025,880
Investments	8	682,934,387	499,817,983
Advances	9	2,035,188,250	1,322,626,769
Fixed assets	10	8,372,959	6,867,947
Other assets	11	150,462,769	125,737,623
TOTAL		**3,124,496,536**	**2,150,596,899**
Contingent liabilities	12	5,818,302,701	3,795,645,710
Bills for collection		19,355,641	13,900,033
Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
April 26, 2018

For and on behalf of the Board of Directors
YES BANK Limited

Rana Kapoor
Managing Director & CEO
(DIN:00320702)

Ashok Chawla
Non Executive (Independent) Chairman
(DIN: 00056133)

Ajai Kumar
Director
(DIN:02446976)

Vasant V. Gujarathi
Director
(DIN: 06863505)

Raj Ahuja
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2018

(₹ in thousands)

		Schedule	For the year ended March 31, 2018	For the year ended March 31, 2017
I.	**INCOME**			
	Interest earned	13	202,685,947	164,249,985
	Other income	14	52,931,509	42,177,999
	TOTAL		**255,617,456**	**206,427,984**
II.	**EXPENDITURE**			
	Interest expended	15	125,294,301	106,265,280
	Operating expenses	16	52,735,403	41,686,077
	Provisions and contingencies	17	35,255,552	25,077,771
	TOTAL		**213,285,256**	**173,029,128**
III.	**PROFIT**			
	Net profit for the year		42,332,200	33,398,856
	Profit brought forward		79,189,628	55,204,622
	TOTAL		**121,521,828**	**88,603,478**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		10,561,409	8,325,241
	Transfer to Capital Reserve		659,648	1,082,995
	Transfer to Investment Reserve		-	-
	Dividend paid for previous year (Refer Sch. 18.7)		5,488,101	4,665
	Tax on Dividend paid for previous year (Refer Sch. 18.7)		1,117,377	950
	Balance carried over to balance sheet		103,695,292	79,189,628
	TOTAL		**121,521,828**	**88,603,478**
	Significant Accounting Policies and Notes to Accounts forming part of financial statements	18		
	Earning per share (Refer Sch.18.13)			
	Basic (₹)		18.46	15.82
	Diluted (₹)		18.09	15.40
	(Face Value of Equity Share is ₹2/-) (Refer Sch. 18.6)			

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
April 26, 2018

For and on behalf of the Board of Directors

YES BANK Limited

Rana Kapoor
Managing Director & CEO
(DIN:00320702)

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Director
(DIN: 06863505)

Raj Ahuja
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended Mar 31, 2018

(₹ in thousands)

		Year ended 31-Mar-18	Year ended 31-Mar-17
CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAXES		**62,045,363**	**50,534,704**
ADJUSTMENT FOR			
Depreciation for the year		2,323,569	1,726,068
Amortization of premium on investments		1,673,308	789,586
Provision for investments		2,599,443	522,117
Provision for standard advances		1,687,427	831,396
Provision/write off of non performing advances		10,792,641	6,642,284
Other provisions		397,075	(176,774)
(Profit)/Loss on sale of land, building and other assets		12,891	(184)
	(i)	**81,531,717**	**60,869,197**
ADJUSTMENTS FOR :			
Increase/(Decrease) in Deposits		578,311,598	311,532,637
Increase/(Decrease) in Other Liabilities		(1,058,963)	39,972,494
(Increase)/Decrease in Investments		(103,781,671)	27,645,611
(Increase)/Decrease in Advances		(725,041,549)	(347,169,783)
(Increase)/Decrease in Other assets		(25,122,220)	(30,238,148)
	(ii)	**(276,692,805)**	**1,742,811**
Payment of direct taxes	(iii)	(22,943,356)	(18,770,623)
Net cash generated from/(used in) operating activities (A) (i+ii+iii)		**(218,104,444)**	**43,841,385**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(3,932,525)	(3,892,184)
Proceeds from sale of fixed assets		91,050	44,102
(Increase)/Decrease in Held To Maturity (HTM) securities		(83,607,484)	(40,890,641)
Net cash generated/(used in) from investing activities (B)		**(87,448,959)**	**(44,738,723)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended Mar 31, 2018

(₹ in thousands)

	Year ended 31-Mar-18	Year ended 31-Mar-17
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	241,003,505	43,568,619
Tier II Debt raised		
Innovative Perpetual Debt raised	54,150,000	30,000,000
Tier II Debt repaid during the year	(2,489,000)	(3,786,000)
Proceeds from issuance of Equity Shares (net of share issue expense)	1,420,167	49,576,625
Dividend paid during the year	(5,488,101)	(4,209,981)
Tax on dividend paid	(1,117,377)	(857,152)
Net cash generated from/(used in) financing activities (C)	**357,479,194**	**114,292,111**
Effect of exchange fluctuation on translation reserve (D)	65,803	(37,234)
Net increase in cash and cash equivalents (A+B+C+D)	**51,991,595**	**113,357,540**
Cash and cash equivalents as at April 1st	**195,546,577**	**82,189,038**
Cash and cash equivalents as at Mar 31st	**247,538,171**	**195,546,577**
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	114,257,489	69,520,697
Balances with Banks and Money at Call and Short Notice	133,280,682	126,025,880
Cash and cash equivalents as at March 31st	**247,538,171**	**195,546,577**

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
April 26, 2018

For and on behalf of the Board of Directors

YES BANK Limited

Rana Kapoor
Managing Director & CEO
(DIN:00320702)

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Non Executive (Independent) Chairman
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Ajai Kumar
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(DIN: 06863505)

Raj Ahuja
Chief Financial Officer

Shivanand R. Shettigar
Company Secretary

SCHEDULES

forming a Part of Consolidated Financial Statements

(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 1 - CAPITAL		
AUTHORISED CAPITAL		
3,000,000,000 equity shares of ₹2/- each	6,000,000	6,000,000
20,000,000 preference shares of ₹100/- each	2,000,000	2,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
2,302,967,245 equity shares of ₹2/- each	4,605,934	4,564,858
(March 31, 2017 : 2,282,429,065 equity shares of ₹2/- each) [Refer Sch 18.6]		
TOTAL	**4,605,934**	**4,564,858**

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 2 - RESERVES AND SURPLUS			
I	**STATUTORY RESERVES**		
	Opening balance	34,071,994	25,746,753
	Additions during the year	10,561,409	8,325,241
	Deductions during the year	-	-
	Closing balance	**44,633,403**	**34,071,994**
II	**SHARE PREMIUM**		
	Opening balance	98,679,248	49,462,165
	Additions during the year [Refer Sch 18.6]	1,379,091	49,717,083
	Deductions during the year [Refer Sch 18.6]	-	500,000
	Closing balance	**100,058,339**	**98,679,248**
III	**CAPITAL RESERVE**		
	Opening balance	3,864,833	2,781,838
	Additions during the year	659,648	1,082,995
	Deductions during the year	-	-
	Closing balance	**4,524,481**	**3,864,833**
IV	**INVESTMENT RESERVE**		
	Opening balance	226,197	226,197
	Additions during the year	-	-
	Deductions during the year	-	-
	Closing balance	**226,197**	**226,197**
V	**FOREIGN CURRENCY TRANSLATION RESERVE**		
	Opening balance	(40,317)	(3,083)
	Additions during the year	65,803	(37,234)
	Deductions during the year	-	-
	Closing balance	**25,486**	**(40,317)**
VI.	**CASH FLOW HEDGE RESERVE**	-	-
	Opening balance	(160,135)	-
	Additions during the year	(83,922)	(160,135)
	Deductions during the year	-	-
	Closing balance	**(244,057)**	**(160,135)**
VII.	**BALANCE IN PROFIT AND LOSS ACCOUNT**	103,695,291	79,189,628
	TOTAL	**252,919,138**	**215,831,445**

SCHEDULES

forming a Part of Consolidated Financial Statements

(₹ in thousands)

			As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 3 - DEPOSITS				
A.	**I.**	**Demand Deposits**		
		i) From Banks	14,602,217	10,543,996
		ii) From Others	273,633,590	180,221,576
	II.	**Savings Bank Deposit**	443,504,509	327,818,301
	III.	**Term Deposits**		
		i) From banks	112,971,241	78,421,060
		ii) From others (incl. CD's issued)	1,162,174,479	831,569,505
		TOTAL	**2,006,886,036**	**1,428,574,438**
B.	**I.**	**Deposits of branches in India**	2,005,954,161	1,428,471,154
	II.	**Deposits of branches outside India**	931,875	103,284
		TOTAL	**2,006,886,036**	**1,428,574,438**

(₹ in thousands)

			As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 4 - BORROWINGS				
I.	**INNOVATIVE PERPETUAL DEBT INSTRUMENTS (IPDI) AND TIER II DEBT**			
A.	**Borrowing in India**			
	i)	IPDI	91,560,000	37,410,000
	ii)	Tier II Borrowings	152,339,000	84,828,000
		TOTAL (A)	**243,899,000**	**122,238,000**
B.	**Borrowings outside India**			
	i)	IPDI	325,875	324,250
	ii)	Tier II Borrowings	11,172,824	10,969,876
		TOTAL (B)	**11,498,699**	**11,294,126**
		TOTAL (A+B)	**255,397,699**	**133,532,126**
II.	**OTHER BORROWINGS[1]**			
A.	**Borrowings in India**			
	i)	Reserve Bank of India	15,000,000	-
	ii)	Other banks	15,811,399	21,818,909
	iii)	Other institutions and agencies[2]	187,167,910	81,117,555
		TOTAL (A)	**217,979,309**	**102,936,464**
B.	**Borrowings outside India[3]**		**275,558,800**	**149,598,140**
		TOTAL (A+B)	**493,538,109**	**252,534,604**
		TOTAL (I+II)	**748,935,808**	**386,066,730**

(1) Secured borrowings are ₹46,463,203 thousands (March 31, 2017 : ₹14,198,629 thousands).

(2) Including ₹123,216,106 thousands of refinance borrowing (March 31, 2017: ₹41,367,836 thousands), ₹16,450,000 thousands (March 31 2017: ₹16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹21,350,000 thousands (March 31, 2017: ₹21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

(3) Includes bonds of ₹38,974,842 thousands (previous year: NIL) of Medium Term Notes issued from International Business Unit (IBU) in GIFT city Gujarat to fund its growth.

SCHEDULES

forming a Part of Consolidated Financial Statements

(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. BILLS PAYABLE	9,151,490	5,925,696
II. INTER-OFFICE ADJUSTMENTS (NET)	-	-
III. INTEREST ACCRUED	21,932,650	14,786,010
IV. OTHERS (INCLUDING PROVISIONS)		
- Provision for standard advances	9,493,909	7,806,482
- Country risk provision	-	-
- Others	70,571,571	87,041,240
TOTAL	**111,149,620**	**115,559,428**

(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	6,226,739	5,705,440
II. Balances with Reserve Bank of India		
- In current account	108,030,750	63,815,257
- In other account	-	-
TOTAL	**114,257,489**	**69,520,697**

(₹ in thousands)

	As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. IN INDIA		
Balances with banks-		
i) In current accounts	787,042	661,632
ii) In other deposit accounts	189,134	5,682
Money at call and short notice		
i) With Banks	-	6,400,000
ii) With other institutions	-	-
iii) Lending under reverse repo (RBI & Banks)	112,009,654	77,533,403
TOTAL (I)	**112,985,830**	**84,600,717**
II. OUTSIDE INDIA		
i) In current account	14,494,277	22,618,582
ii) In other deposit account	-	-
iii) Money at call and short notice	5,800,575	18,806,581
TOTAL (II)	**20,294,852**	**41,425,163**
TOTAL (I+II)	**133,280,682**	**126,025,880**

SCHEDULES

forming a Part of Consolidated Financial Statements

(₹ in thousands)

			As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 8 - INVESTMENTS (NET OF PROVISIONS)				
A.	**INVESTMENTS IN INDIA**			
	i)	Government Securities	488,860,831	354,804,669
	ii)	Other approved securities	-	-
	iii)	Shares	643,782	2,369,461
	iv)	Debentures and bonds	145,045,609	110,453,002
	v)	Subsidiaries and/or joint ventures	-	-
	vi)	Others (CPs, CDs, Security Receipts, Pass through certificates etc)	38,030,003	30,438,101
		TOTAL (I)	**672,580,225**	**498,065,233**
B.	**INVESTMENTS OUTSIDE INDIA**			
		Government Securities	3,445,612	322,750
		Debentures and bonds	6,908,550	1,430,000
		TOTAL (II)	**10,354,162**	**1,752,750**
		TOTAL (I+II)	**682,934,387**	**499,817,983**

(₹ in thousands)

			As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 9 - ADVANCES				
A.	i)	Bills purchased and discounted	24,244,084	15,592,229
	ii)	Cash credit, overdrafts and loans payable on demand	380,924,313	285,619,143
	iii)	Term loans	1,630,019,853	1,021,415,397
		TOTAL	**2,035,188,250**	**1,322,626,769**
B.	i)	Secured by tangible assets (includes advances secured by fixed deposits and book debt)	1,477,525,720	971,727,832
	ii)	Covered by Bank/Government guarantees	5,996,099	9,982,743
	iii)	Unsecured[1]	551,666,431	340,916,194
		TOTAL	**2,035,188,250**	**1,322,626,769**
		1 Includes advances of ₹337,552,952 thousands (March 31, 2017: ₹194,674,665 thousands) for which security documentation is either being obtained or being registered. There are no outstanding advances as at March 31, 2018 and March 31, 2017 for which only intangible securities such as charge over the rights, licenses, authority, etc has been taken.		
C.	**I.**	**Advances in India**		
	i)	Priority sectors	446,472,144	291,727,756
	ii)	Public sector	1,524,237	611,812
	iii)	Banks	1,214,227	1,336,192
	iv)	Others	1,441,912,028	968,611,004
		TOTAL (I)	**1,891,122,636**	**1,262,286,764**
	II.	**Advances outside India**		
	i)	Due from Banks	1,716,986	803,409
	ii)	Due from Others		
	(a)	Bills purchased and discounted	-	-
	(b)	Syndicated and Term loans	142,348,628	59,536,596
	(c)	others	-	-
		TOTAL (II)	**144,065,614**	**60,340,005**
		TOTAL (I+II)	**2,035,188,250**	**1,322,626,769**

SCHEDULES

forming a Part of Consolidated Financial Statements

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 10 - FIXED ASSETS			
I.	**PREMISES**		
	At cost as on March 31st of preceding year	378,031	-
	Additions during the year	-	378,031
	Deductions during the year	-	-
	Accumulated depreciation to date	(8,402)	(2,101)
	TOTAL (I)	**369,629**	**375,930**
II.	**OTHER FIXED ASSETS (INCLUDING FURNITURE AND FIXTURES AND SOFTWARE)**		
	At cost as on March 31st of preceding year	11,802,938	8,558,882
	Additions during the year	3,963,415	3,365,324
	Deductions during the year	(446,876)	(121,268)
	Accumulated depreciation to date	(8,037,673)	(6,063,338)
	TOTAL (II)	**7,281,804**	**5,739,600**
	TOTAL (I+II)	**7,651,433**	**6,115,530**
	Capital work-in-progress	721,526	752,417
	TOTAL	**8,372,959**	**6,867,947**

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 11 - OTHER ASSETS			
I.	Interest Accrued	25,169,413	20,757,016
II.	Advance tax and tax deducted at source (net of provision)	1,721,287	1,222,362
III.	Deferred tax asset (Refer Sch 18.15)	8,762,413	6,036,409
IV.	Non-Banking assets acquired in satisfaction of claims	364,790	427,230
V	Others	114,444,866	97,294,606
	TOTAL	**150,462,769**	**125,737,623**

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Group not acknowledged as debts	116,436	63,484
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	3,000,448,825	1,633,440,599
IV.	Liability on account of outstanding derivative contracts		
	- Single currency Interest Rate Swap	1,141,440,348	900,717,664
	- Others	783,747,908	557,600,726
V.	Guarantees given on behalf on constituents		
	- in India	314,307,933	238,664,671
	- Outside India	-	-
VI.	Acceptances, endorsement and other obligations	411,689,385	319,204,078
VII.	Other items for which the Group is contingently liable		

SCHEDULES

forming a Part of Consolidated Financial Statements

(₹ in thousands)

		As at Mar 31, 2018	As at Mar 31, 2017
-	Purchase of securities pending settlement	9,068,982	2,375,682
-	Capital commitment	2,942,928	1,664,143
-	Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	13,533	4,702
-	Foreign exchange contracts (Tom & Spot)	154,526,423	141,909,961
	TOTAL	**5,818,302,701**	**3,795,645,710**

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2018 includes notional amount of ₹2,315,099,034 thousands and ₹318,672,816 thousands (previous year: ₹1,168,538,967 thousands and ₹195,660,885 thousands) guaranteed by CCIL representing 77.16% and 27.92% (previous year: 71.54% and 21.72%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/discount on advances/bills	154,778,487	122,097,659
II.	Income on investments	41,025,311	37,968,422
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	5,160,730	2,578,210
IV.	Others	1,721,419	1,605,694
	TOTAL	**202,685,947**	**164,249,985**

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	42,070,717	32,009,436
II.	Profit on the sale of investments (net)	5,134,739	7,112,679
III.	Profit/(Loss) on the revaluation of investments (net)	-	-
IV.	Profit/(Loss) on sale of land, building and other assets	(12,892)	182
V.	Profit on exchange transactions (net)	2,315,709	1,018,902
VI.	Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous income	3,423,236	2,036,800
	TOTAL	**52,931,509**	**42,177,999**

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	93,824,814	82,032,410
II.	Interest on Reserve Bank of India/inter-bank borrowings/ Tier I and Tier II debt instruments	29,840,501	22,242,771
III.	Others	1,628,986	1,990,099
	TOTAL	**125,294,301**	**106,265,280**

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(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	22,346,642	18,402,353
II.	Rent, taxes and lighting	4,587,562	3,818,154
III.	Printing and stationery	372,953	273,043
IV.	Advertisement and publicity	965,047	1,013,666
V.	Depreciation on Group's property	2,323,569	1,726,068
VI.	Directors' fees, allowances and expenses	21,423	29,152
VII.	Auditors' fees and expenses	15,917	14,663
VIII.	Law charges	60,940	36,745
IX.	Postage, telegrams, telephones, etc.	604,812	485,994
X.	Repairs and maintenance	348,022	204,853
XI.	Insurance	1,512,828	1,196,680
XII.	Other expenditure	19,575,688	14,484,706
	TOTAL	**52,735,403**	**41,686,077**

(₹ in thousands)

		For the year ended Mar 31, 2018	For the year ended Mar 31, 2017
SCHEDULE 17 - PROVISIONS & CONTINGENCIES			
I.	Provision for taxation (Refer Sch 18.8)	19,713,163	17,135,848
II.	Provision for investments	2,599,443	522,117
III.	Provision for standard advances	1,687,427	831,396
IV.	Provision/write off for non performing advances	10,792,641	6,642,284
V.	Other Provisions	462,878	(53,874)
	TOTAL	**35,255,552**	**25,077,771**

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

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 subsidiaries 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. Also the Bank has a branch at International Financial Services Centre ('IFSC') at GIFT City, Gujarat ('IBU'). The Bank classifies transactions undertaken by IBU as overseas operation.

YES Securities (India) Limited was incorporated on March 14, 2013 as a wholly owned subsidiary of YES BANK Limited (YBL/Holding Company). The Company is a securities broker registered with Securities and Exchange Board of India since July 8, 2013. The Company also got SEBI registration as Category I Merchant Banker w.e.f. September 03, 2015. The Company offers, inter alia, trading/investment in equity, merchant banking and other financial products along with various value added services. The Company is member of National Stock Exchange (NSE) since May 02, 2013 and the Bombay Stock Exchange (BSE) since June 11, 2013.

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Yes Asset Management (India) Limited was incorporated on April 21, 2017 as a wholly owned subsidiary of YES BANK Limited (YBL/Holding Company). The Company has entered into an investment management agreement with Yes Trustee Limited to act as the investment manager for any funds to be launched by Yes Mutual Fund. The company is seeking registration from SEBI to launch Mutual fund operations. An in-principle approval from SEBI was received on July 21, 2016 and an in-person inspection was performed by SEBI on February 12, 2018.

Yes Trustee Limited was incorporated in Mumbai, India on May 03, 2017 in Mumbai. The Company's principal activity is to act as trustee for funds (Yes Mutual Fund).

18.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of YES Bank Limited, and its subsidiaries, Yes Securities (India) Limited, Yes Asset Management (India) Limited and Yes Trustee Limited which together constitute the 'Group'.

The Bank consolidates its subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs to the extent applicable on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure.

18.3 BASIS OF PREPARATION

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Group used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Group follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

18.4 USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

18.5 SIGNIFICANT ACCOUNTING POLICIES

18.5.1 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

- Interest income is recognized in the profit and loss account on accrual basis, except in the case of non-performing assets and accounts under SDR/S4A. Interest on non-performing assets and accounts under SDR/S4A is recognized as per the prudential norms of the RBI. Penal Interest is recognized upon certainty of its realization. RBI has withdrawn the SDR and S4A schemes with effect from February 12, 2018. Accordingly, for cases where the SDR, change in management outside SDR or S4A schemes were not implemented at that date, asset classification and income recognition are done as per the extant RBI norms.
- Dividend income is recognized when the right to receive payment is established.
- Commission on guarantees issued by the Group is recognized as income over the period of the guarantee.
- Commission on Letters of Credit ('LC') issued by the Group is recognized as income at the time of issue of the LC.
- Income on non-coupon bearing discounted instruments is recognized over the tenure of the instrument on a straight line basis. In case of coupon bearing discounted instruments, discount income is recognized over the tenor of the instrument on yield basis.

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- In case of Bonds and Pass Through Certificates, premium on redemption, if any, is amortised over the tenure of the instrument on a yield basis.
- Revenue from financial advisory services is recognized in line with milestones achieved as per terms of agreement with clients which is reflective of services rendered.
- Facility fees and loan processing fees are recognised when it is due and realizable.
- Other fees and commission are accounted for as and when they became due.
- Brokerage income is recognised as per contracted rate on execution of transaction on behalf of the customers on the trade date and is net off related sub brokerage expenses, service tax/GST and stock exchange expenses.
- Fee income from Investment banking/ Merchant banking services are recognised based on completion of milestone as per the engagement letter. Fee income in relation to public issues/other securities is recognized based on mobilization and intimation received from client/ intermediaries.
- Fee for subscription based services are recognized as earned on a pro-rata basis over the term of the plan.
- Management fees and income from investments are accounted for on accrual basis in accordance with the investment management agreement and SEBI (Mutual Fund) Regulations, 1996.
- Trusteeship fees are accounted for an accrual basis in accordance with the trust deed.

18.5.2 Investments

Classification and valuation of the Group's investments are carried out in accordance with RBI Circular DBR. No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015.

Accounting and Classification

The Group follows settlement date accounting for Investments. Investments are recognized using the settlement 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 and broken period interest are charged to the profit and loss account as per the RBI guidelines.

b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that the Group intends to hold till maturity are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scripts from AFS/HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS/HFT category, the investments held under HTM at a discount are transferred to AFS/HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice-a-versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

d) Valuation

Investments categorized under AFS and HFT categories are marked to market (MTM) on a periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule 8 ('Investments') is recognized in the profit and loss account. The net appreciation, if any, in the category under each classification is ignored, except to the

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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. Depreciation on equity shares acquired and held by the Group under restructuring scheme is provided as per RBI guidelines.

Investments classified under the HTM category are carried at their acquisition cost and any premium over the face value, paid on acquisition, is amortised on a straight line basis over the remaining period to maturity. Amortization expense of premia on investments in the HTM category is deducted from interest income in accordance with RBI Circular DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. Where in the opinion of management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

Treasury Bills, Commercial Paper and Certificates of deposit being discounted instruments, are valued at carrying cost.

Pass Through Certificates purchased for priority sector lending requirements are valued at Book Value in accordance with RBI guidelines.

The market/ fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/ quotes on the stock exchanges and for Subsidiary General Ledger ('SGL') account transactions, the prices as periodically declared by Financial Benchmarks India Pvt. Ltd.(FBIL).

The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FBIL. Further, in the case of unquoted bonds, debentures, pass through certificates (other than priority sector) and preference shares, valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.

The Group undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is netted in the Investment schedule. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit/Loss on settlement of the short position is recognised in the Profit and Loss account.

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

Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity shares are valued at the break-up value if the latest balance sheet is available, else, at ₹1 per company, as per relevant RBI guidelines.

At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction company are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, the Group reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting date.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Sovereign foreign currency Bonds are valued using Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non- Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price, Bloomberg Generic price (BGN), Last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by Government of India ('GOI') is valued based on FBIL valuation.

Non-performing investments are identified and depreciation/provision are made thereon based on the RBI guidelines. Based on management assessment of impairment, the Group additionally create provision over and above the RBI guidelines. The depreciation/provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss account until received.

e) ***Profit/Loss on sale of Investments***

Profit/Loss on sale of Investments in the HTM category is recognized in the profit and loss account and profit thereafter is appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/Loss on sale of investments in HFT and AFS categories is recognized in the Profit and Loss account.

f) ***Accounting for repos/reverse repos***

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) including liquidity adjustment facility (LAF) with RBI are treated as collateralized borrowing and lending transactions respectively in accordance with RBI master circular No. DBR.No.BP.BC.6/21.04.141/2015-16 dated 1 July 2015. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and second (reversal of first) leg reflects interest and is recognized as interest income/expense over the period of transaction.

Group also undertakes Repo and Reverse repo transactions from IFSC Banking Unit in GIFT City in Foreign currency Sovereign Securities and accounting is similar to the domestic repo transactions.

18.5.3 Advances

Accounting and classification

Advances are classified as performing and non-performing based on the relevant RBI guidelines. Advances are stated net of specific provisions, interest in suspense, inter-bank participation certificates issued and bills rediscounted.

Provisioning

Provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level prescribed in relevant RBI guidelines. The specific provision levels for retail non-performing assets are also based on the nature of product and delinquency levels. Specific provisions in respect of non-performing advances are charged to the Profit and Loss account and included under Provisions and Contingencies.

As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. These also includes provision for stressed sector exposures. Such provisions are included in Schedule 5 - 'Other liabilities & provisions - Others'.

In respect of restructured standard and non performing advances, provision is made for the present value of principal and interest component sacrificed at the time of restructuring the assets, based on the RBI guidelines.

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Accounts are written-off in accordance with the Group's policies. Recoveries from bad debts written-off are recognised in the Profit and Loss account and included under other income.

In case of loans sold to asset reconstruction company and consideration is more than net book value, the Group records the security receipts at Net Book Value as per RBI guidelines.

The Group has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately Risk, High Risk and Very High Risk. The Group calculates direct and indirect country risk in line with the policy requirements. Indirect exposure is reckoned at 50% of the exposure in case of countries where the net funded exposure exceeds 1% of the Group's total assets. Further, if the net funded exposure of the Group in respect of each country exceeds 1% of the Group's total assets, provisioning is required to be made on exposure to such countries. Depending on the risk category of the country, provisioning is done on a graded scale ranging from 0.25% to 100% for exposures with contractual maturity greater than or equal to 180 days. In respect of short-term exposures with contractual maturity less than 180 days, 25% of the normal provision requirement is held.

18.5.4 Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at the daily average closing rates and of non-integral foreign operations (foreign branches) at the monthly average closing rates.

Premia/discounts on foreign exchange swaps, that are used to hedge risks arising from foreign currency assets and liabilities, are amortized over the life of the swap.

Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). Foreign exchange contracts are stated at net present value using LIBOR/SWAP curves of the respective currencies. The resulting profits or losses are recognized in the profit and loss account.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit/loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until remittance or the disposal of the net investment in the non-integral foreign operations in accordance with AS - 11.

18.5.5 Earnings per share

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share" notified under section 133 of the Companies Act 2013. Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares options outstanding during the period except where the results are anti dilutive. The shareholders of the Bank had approved the sub-division of each equity share having a face value of ₹ 10 into five equity shares having a face value of ₹ 2 each through postal ballot on September 8, 2017. The record date for the sub-division was September 22, 2017. All shares and per share information in the financial results are restated to reflect the effect of sub-division for the year ended March 31, 2017.

18.5.6. Accounting for derivative transactions

Derivative transactions comprises forward rate agreements, swaps and option contracts. The Group undertakes derivative transactions for market making/ trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant

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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 Groups' a general provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions.

Cross currency interest rate swaps which are used by the Group to hedge its foreign currency borrowings have been designated as cash flow hedges and are measured at fair value. The corresponding gain or loss is recognised as cash flow hedge reserve. Further to match profit/ loss on account of revaluation of foreign currency borrowing, the corresponding amount is recycled from cash flow hedge reserve to Profit and Loss account.

18.5.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price and any cost attributable for bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit /functioning capability from/of such assets.

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18.5.8 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, at the rates mentioned below-

Class of asset	Useful life of Assets as per Companies Act, 2013	Useful life of Assets as per Group's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware[1]	6 years	3 years
Computer software *	6 years	4 years
Vehicles[1]	8 years	5 years
Furniture and Fixtures	10 years	10 years
Automated Teller Machines ('ATMs')[1]	15 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

* As per RBI Guidelines.
[1] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

- Assets costing up to ₹5,000 are fully depreciated in the year of purchase.
- For assets purchased/ sold during the year, depreciation is being provided on pro rata basis by the Group.
- Improvements to leasehold assets are depreciated over the remaining period of lease
- Reimbursement, if any, is recognised on receipt and is adjusted to the book value of asset and depreciated over the balance life of the asset
- Whenever there is a revision in the estimated useful life of the asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset
- The useful life of assets is based on historical experience of the Group, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

18.5.9 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the recoverable amount of the assets.

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18.5.10 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

Leave salary

The employees of the Group are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees cannot encash unavailed/unutilized leave. The Group provides for leave encashment/compensated absences based on an independent actuarial valuation at the Balance Sheet date, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation.

Gratuity

The Group provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Group accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15, Employee Benefits, to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognised in the Profit and Loss account.

Provident fund

In accordance with law, all employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Group contribute monthly at a pre determined rate. Contribution to provident fund are recognized as expense as and when the services are rendered. The Group has no liability for future provident fund benefits other than its annual contribution.

National Pension System (NPS)

The NPS is a defined contribution retirement plan. The primary objective is enabling systematic savings and to provide retirees with an option to achieve financial stability. Pension contributions are invested in the pension fund schemes. The Group has no liability for future fund benefits other than the voluntary contribution made by employees who agree to contribute to the scheme.

18.5.11 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term in accordance with Accounting Standard-19, Leases.

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 recognised 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.

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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.

The Group recognises MAT credit available as an asset only to the extent that the entities of the Group, based on reasonable evidence, will be able to recoup/set off MAT credit against income tax liability during the specified period i.e. the period for which MAT credit set off is allowed.

The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the entities of the Group does not have reasonable evidence that it will be able to recoup set off of MAT credit against the income tax liability during the specified period.

18.5.13 Provisions and contingent assets/ liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, the Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

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

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

18.5.14 Cash and Cash equivalent

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

18.5.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

18.5.16 Debit and credit cards reward points

The Group estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

18.5.17 Bullion

The Group imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are typically on a back-to-back basis and are priced to the customer based on a price quoted by the supplier. The Group earns a fee on such bullion transactions. The fee is classified in other income. The Group also deals in bullion on a borrowing and lending basis and the interest paid/received thereon is classified as interest expense/income respectively.

18.5.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

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18.5.19 Segment information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

18.5.20 Priority Sector Lending Certificates (PSLC)

The Group vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 7, 2016 trades in priority sector portfolio by selling or buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income'.

18.6 EQUITY ISSUE

On September 8, 2017, the shareholders of the Bank approved the sub-division of each equity share having a face value of ₹ 10 into five equity shares having a face value of ₹ 2 each through postal ballot. The record date for the sub-division was September 22, 2017. All shares and per share information in the financial results reflect the effect of such sub-division.

During the financial year ended March 31, 2018, the Bank has issued 20,538,180 shares pursuant to the exercise of stock option aggregating to ₹1,378.65 millions.

During the financial year ended March 31, 2017, the Bank had issued 32,711,000 equity shares of ₹10 each (163,555,000 shares of ₹2 each) for cash pursuant to a Qualified Institutions Placement (QIP) at ₹1,500 aggregating to ₹49,066.50 millions. The Bank accreted ₹48,239.39 millions (net of estimated share issue expenses of ₹500 millions) as premium, on account of QIP. The actual share issue expenses adjusted against share premium was ₹458.48 millions. The Bank also issued 32,43,172 shares (16,215,860 shares of ₹2 each) pursuant to the exercise of stock option aggregating to ₹1,010.12 millions.

Movement in Share Capital

(₹ in millions)

Share Capital	As at March 31, 2018	As at March 31, 2017
Opening Share Capital	4,564.86	4,205.32
Addition due to exercise of Stock Option	41.07	32.43
Addition due to shares issued to QIP	-	327.11
Closing Share Capital	4,605.93	4,564.86

18.7 PROPOSED DIVIDEND:

From financial year ended March 31, 2017, the Group has not accounted for proposed dividend as a liability in accordance with revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016,

The Board of Directors of the Bank has recommended a dividend of ₹2.70 per equity share for approval by shareholders at the 14th Annual General Meeting. If approved the total liability arising to the Group would be ₹7,496.43 millions, including dividend tax (previous year: ₹6,605.48 millions). The actual dividend payout may however change due to equity shares options exercised by employees between the end of the financial year and the dividend declaration date.

18.8 INCOME TAXES

Provisions made for Income Tax during the year

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax expense	22,439.16	18,395.53
Deferred income tax benefit	(2,726.00)	(1,259.69)
TOTAL	**19,713.16**	**17,135.85**

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18.9 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, 2018 and March 31, 2017:

a) Changes in present value of Obligations

(₹ in millions)

	As at March 31, 2018	As at March 31, 2017
Present Value of Obligation at the beginning of the year	902.92	628.13
Interest Cost	61.85	45.86
Current Service Cost	262.64	193.29
Past Service Cost	0.41	-
Benefits Paid	(108.47)	(45.48)
Actuarial (gain)/loss on Obligation	36.01	81.13
Present Value of Obligation at the end of the year	1,155.37	902.92

Changes in the fair value of planned assets:

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair value of plan assets at the beginning of the year	885.95	563.73
Adjustment to Opening Balance	4.25	5.39
Expected return on plan assets	61.93	54.57
Contributions	321.34	299.27
Benefits paid	(108.47)	(45.48)
Actuarial gain/(loss) on planned assets	(9.71)	8.45
Fair value of planned assets at the end of the period	1,155.29	885.95

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, 2018 and March 31, 2017 comprises the following components:

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Service Cost	262.64	193.29
Interest Cost	61.85	45.87
Expected Return on plan assets	(61.93)	(54.57)
Net Actuarial gain recognized in the year	45.72	72.68
Past Service Cost	0.41	-
Expenses recognized	307.14	257.27

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Experience History:

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
(Gain)/Loss on obligation due to change in assumption	(70.88)	48.37	15.18	33.86	(62.75)
Experience (Gain)/Loss on obligation	113.80	32.76	(5.99)	(51.26)	5.34
Actuarial Gain/(Loss) on planned assets	(5.21)	8.46	(18.68)	(2.49)	(5.70)

The assumptions used in accounting for the gratuity plan are set out below:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount Rate	7.4%~7.60%	6.69%~6.88%
Expected Return on Plan Assets	7.00%~8.00%	8.00%
Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult
Future Salary Increases	12.00%	12.00%
Disability	-	-
Attrition	6%-25%	6%-25%
Retirement	60 yrs	60 yrs

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset/liability

(₹ in millions)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair value of planned assets at the end of the period	1,155.29	885.95
Present Value of Obligation at the end of the year	1,155.38	902.92
Plan asset/(liability)	**(0.09)**	**(16.97)**

The Group is yet to determine future contribution to Gratuity fund for Financial Year 2018-19

18.10 SEGMENT REPORTING

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) - Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- **Treasury:** Includes investments, all financial markets activities undertaken on behalf of the Group's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other Groups and financial institutions.

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- **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 all subsidiaries, para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2018 are set out below:

(₹ in millions)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	65,927.05	166,354.92	29,728.16	2,662.90	264,673.03
Add/ (Less): Inter-segment					(9,044.10)
Revenue net of inter-segment					255,628.93
Result	29,460.99	54,753.48	(5,907.63)	1,223.37	79,530.21
Unallocated Expenses					(17,484.85)
Operating Profit					62,045.36
Income Taxes					19,713.16
Extra-ordinary Profit/(Loss)					-
Net Profit					42,332.20
Other Information:					
Segment assets	1,022,128.60	1,714,497.01	371,370.33	1,411.15	3,109,407.09
Unallocated assets					15,089.45
Total assets					**3,124,496.54**
Segment liabilities	751,075.32	1,261,035.68	750,850.50	5,311.04	2,768,272.54
Unallocated liabilities					356,224.00
Total liabilities					**3,124,496.54**

Other banking operations includes income from bancassurance business ₹767.80 millions during year ended March 31, 2018.

Segmental results for the year ended March 31, 2017 are set out below:

(₹ in millions)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	53,675.73	132,157.31	19,650.80	2,260.19	207,744.03
Add/ (Less): Inter-segment					(1,316.79)
Revenue net of inter-segment					206,427.24
Result	25,403.84	40,759.92	(6,714.34)	1,221.23	60,670.65
Unallocated Expenses					(10,135.94)
Operating Profit					50,534.71
Income Taxes					17,135.85
Extra-ordinary Profit/(Loss)					-

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(₹ in millions)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Operations	Total
Net Profit					33,398.86
Other Information:					
Segment assets	781,769.97	1,167,734.99	190,912.42	665.41	2,141,082.79
Unallocated assets					9,514.11
Total assets					**2,150,596.90**
Segment liabilities	437,090.24	873,096.42	577,399.92	1,466.90	1,889,053.48
Unallocated liabilities					261,543.42
Total liabilities					**2,150,596.90**

Other banking operations includes income from bancassurance business ₹1,003.58 millions during year ended March 31, 2017.

Notes for segment reporting:

1. The business of the Group is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).

2. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.

3. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.

4. The unallocated assets Includes tax paid in advance/tax deducted at source and deferred tax asset.

5. The unallocated liabilities include Share Capital, Reserves & Surplus and Tier 1 bond borrowings

6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

18.11 RELATED PARTY DISCLOSURES

The Group has transactions with its related parties comprising key management personnel and the relative of key management personnel

As per AS 18 “Related Party Disclosures”, notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Group’s related parties for the year ended March 31, 2018 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

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Related party to key management personnel

- Late Mrs. Sheela Kapoor
- Mrs. Raakhe Kapoor Tandon (transaction till March 31, 2017)

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, 2018:

(₹ in millions)

Items/Related Party Category	Whole time directors/individual having significant influence	Maximum Balance during the year	Relatives of whole time directors/ individual having significant influence	Maximum Balance during the year
Deposits	#	#	#	#
Interest paid	#		#	
Receiving of services	#		-	
Dividend paid	#		-	

* Represents outstanding as of March 31, 2018
In Financial Year 2017-18 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, 2017 are disclosed below:

The following represents the significant transactions between the Group and such related parties including relatives of above mentioned KMP during the year ended March 31, 2017:

(₹ in millions)

Items/Related Party Category	Whole time directors/individual having significant influence	Maximum Balance during the year	Relatives of whole time directors/ individual having significant influence	Maximum Balance during the year
Deposits	#	#	5.77*	25.51
Interest paid	#		0.97	-
Receiving of services	#		-	-
Dividend paid	#		-	-

* Represents outstanding as of March 31, 2017
In Financial Year 2016-17, there was only one related party in the said category, hence the Group has not disclosed the details of transactions in accordance with circular issued by the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by banks".

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18.12 OPERATING LEASES

Lease payments recognized in the profit and loss account for the year ended March 31, 2018 was ₹4,067.79 millions (previous year: ₹3,353.58 millions).

As at March 31, 2018 and March 31, 2017 the Group had certain non-cancellable outsourcing contracts for information technology assets and properties on rent. The future minimum lease obligations against the same were as follows:

(₹ in millions)

Lease obligations	As at March 31, 2018	As at March 31, 2017
Not later than one year	3,711.47	2,581.87
Later than one year and not later than five years	14,691.30	9,104.42
Later than five years	16,627.33	11,345.53
TOTAL	**35,030.10**	**23,031.82**

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.

18.13 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:

(₹ in millions)

	Year ended March 31, 2018	Year ended March 31, 2017
Basic (annualised)		
Weighted average no. of equity shares outstanding	2,292,768,279	2,110,704,005
Net profit/(loss) (₹ in millions)	42,332.20	33,398.86
Basic earnings per share (₹)	18.46	15.82
Diluted (annualised)		
Weighted average no. of equity shares outstanding	2,339,752,831	2,168,766,030
Net profit/(loss) (₹ in millions)	42,332.20	33,398.86
Diluted earnings per share (₹)	18.09	15.40
Nominal value per share (₹)	2	2

The difference between weighted average number of equity shares outstanding between basic and diluted in the above mentioned disclosure is on account of outstanding ESOPs.

Basic earnings per equity share has been computed by dividing net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares and dilutive potential equity shares options outstanding during the year, except where the results are anti-dilutive. The dilutive impact is on account of stock options granted to employees by the Bank. There is no impact of dilution on the profits in the current year and previous year.

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All shares and per share information in the above table are restated at ₹2 per equity shares to reflect the effect of sub-division for the periods presented.

18.14 ESOP DISCLOSURES

Statutory Disclosures Regarding Joining Stock Option Scheme:

The Group has Five Employee Stock Option Schemes viz.

- Joining Employee Stock Option Plan II (JESOP II),
- Joining Employee Stock Option Plan III (JESOP III),
- YBL ESOP (consisting of two sub schemes JESOP IV/PESOP I)
- YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010).

The schemes include provisions for grant of options to eligible employees of the Group. 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.

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, 2018 and March 31, 2017 is set out below:

(₹ in millions)

	As at March 31, 2018		As at March 31, 2017	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	64,802,165	20,614,950	73,685,100	22,945,000
Granted during the year	3,847,500	1,697,500	4,360,250	4,107,500
Exercised during the year	15,590,830	4,947,350	11,130,685	5,085,175
Forfeited/lapsed during the year	6,801,500	1,402,000	2,112,500	1,352,375
Options outstanding at the end of the year	46,257,335	15,963,100	64,802,165	20,614,950
Options exercisable	18,413,585	2,277,350	22,639,665	4,122,450
Weighted average exercise price (₹)	64.76	74.59	61.54	63.95
Weighted average remaining contractual life of outstanding option (yrs)	1.78	1.82	1.86	2.12

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The Group has charged Nil amount, being the intrinsic value of the stock options granted for the year ended March 31, 2018 and March 31, 2017. 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 ₹414.98 millions (previous year: ₹464.49 millions), the basic earnings per share would have been ₹18.28 (previous year: ₹15.60) per share instead of ₹18.46 (previous year: ₹15.82) per share; and diluted earnings per share would have been ₹17.92 (previous year: ₹15.19) per share instead of ₹18.09 (previous year: ₹15.40) per share.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2018 and March 31, 2017.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Risk free interest rate	6.29%-9.23%	6.29%-9.23%
Expected life	1.5 yrs - 7.5 yrs	1.5 yrs - 7.5 yrs
Expected volatility	25.01%-48.72%	25.01%-50.67%
Expected dividends	1.20%	1.50%

In computing the above information, certain estimates and assumptions have been made by the Management.

18.15 DEFERRED TAXATION

The net deferred tax asset of ₹8,762.42 millions as at March 31, 2018 and ₹6,036.41 millions as at March 31, 2017 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 millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax asset		
Depreciation	418.59	280.89
Provision for gratuity and unutilized leave	213.48	176.33
Provision for Non Performing Assets	2,930.53	1,440.86
Amortisation of premium on HTM securities	1,025.76	678.82
Provision for standard advances	3,220.59	2,636.61
Other Provisions	953.47	822.90
Deferred tax asset	**8,762.42**	**6,036.41**

18.16 PROVISIONS AND CONTINGENCIES

The breakup of provisions of the Group for the year ended March 31, 2018 and March 31, 2017 are given below:

(₹ in millions)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for taxation	19,713.16	17,135.85
Provision for investments	2,599.44	522.12
Provision for standard advances	1,687.43	831.39
Provision made/write off for non performing advances	10,792.64	6,642.28
Others Provisions*	462.88	(53.87)
TOTAL	**35,255.55**	**25,077.77**

* Other Provisions includes provision made against other assets.

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18.17 DUES TO MICRO AND SMALL ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of interest payments due to delays in such payments to Micro, Small and Medium enterprises.

Auditors have relied upon the above management assertion.

18.18 ADDITIONAL DISCLOSURE

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiaries having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement.

18.19 DESCRIPTION OF CONTINGENT LIABILITIES

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Group not acknowledged as debts	The Group is a party to various legal and tax proceedings in the normal course of business. The Group does not expect the outcome of these proceedings to have a material adverse effect on the Group's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts.	The Group enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Group issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Group. Guarantees generally represent irrevocable assurances that the Group will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4.	Other items for which the Group is contingently liable	- Purchase of securities pending settlement - Capital commitments - Amount deposited with RBI under Depositor Education Awareness Fund - Foreign Exchange Contracts (Tom & Spot)
	Refer Schedule 12 for amounts relating to contingent liability	

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18.20 SOFTWARE CAPITALIZED UNDER FIXED ASSETS

The Group has capitalized software under Fixed Asset amounting to ₹1,426.24 millions and ₹821.46 millions during the financial year ended March 31, 2018 and March 31, 2017 respectively

(₹ in millions)

Particulars	As at March 31, 2018	As at March 31, 2017
Cost at March 31st of preceding year	2,507.05	1,685.58
Additions during the year	1,426.24	821.46
Deductions during the year	(183.93)	-
Depreciation to date	(1,958.39)	(1,501.76)
Net block	**1,790.97**	**1,005.28**

18.21 PROVISION FOR LONG TERM CONTRACTS

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

18.22 DISCLOSURE ON SPECIFIED BANK NOTES

Ministry of Corporate Affairs has issued a Notification dated March 30, 2017 regarding amendment in Schedule III to the Companies Act 2013, wherein every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 in their Financial Statements ending March 31, 2017. In terms of Section 129(1) of Companies Act, the provisions contained in Schedule III are not be applicable to Banks and the same has been clarified by RBI that the disclosure is not warranted for Banks. The subsidiary (YES Securities (India) Limited) of the Bank had Nil reporting for Specified Bank Notes (SBN) for the financial year ended 31 March 2017. The other subsidiaries of the Bank viz. Yes Asset Management (India) Limited and Yes Trustee Limited, were incorporated during the current financial year ended March 31, 2018.

18.23 ADDITIONAL INFORMATION TO CONSOLIDATED ACCOUNTS AT MARCH 31, 2018 (PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013)

(₹ in millions)

Name of the entity Parent	Net assets[1]		Share in profit or loss	
	% of total net assets	Amount	% of total net profit	Amount
Parent				
Yes Bank Limited	100.00%	257,583	99.80%	42,246
Subsidiaries				
Yes Securities (India) Limited	0.20%	489	0.30%	133
Yes Asset Management (India) Limited	0.20%	504	-0.10%	(46)
Yes Trustee Limited	0.00%	4	0.00%	(1)
Inter-company adjustments	-0.40%	(1,055)	0.00%	0
Total	**100.00%**	**257,525**	**100.00%**	**42,332**

1. Total assets minus total liabilities

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Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to current year classification.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner

Membership No: 046882

For and on behalf of the Board of Directors
YES BANK Limited

Rana Kapoor Managing Director & CEO (DIN:00320702)	Ashok Chawla Non Executive (Independent) Chairman (DIN: 00056133)	Ajai Kumar Director (DIN:02446976)
Vasant V. Gujarathi Director (DIN: 06863505)	Raj Ahuja Chief Financial Officer	Shivanand R. Shettigar Company Secretary

Mumbai
April 26, 2018

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

		(₹ in thousands)	(₹ in thousands)	(₹ in thousands)
Sr. No.	Description			1
1	Name of the subsidiary	YES Securities (India) Limited	Yes Asset Management (India) Limited	Yes Trustee Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA
4	Share capital	500,000	550,000	5,000
5	Reserves & surplus	(11,278)	(45,787)	(661)
6	Total assets	1,231,330	508,084	4,815
7	Total Liabilities	1,231,330	508,084	4,815
8	Investments	-	-	-
9	Turnover	715,058	-	-
10	Profit / (Loss) before taxation	148,696	(45,787)	(641)
11	Provision for taxation	15,686	-	(20)
12	Profit / (Loss) after taxation	133,010	(45,787)	(661)
13	Proposed Dividend	-	-	-
14	% of shareholding	100%	100%	100%
1.	Names of subsidiaries which are yet to commence operations	NA*	Yes	Yes
2.	Names of subsidiaries which have been liquidated or sold during the year- Nil			

** Already commenced business*

PART "B": ASSCOCIATES AND JOINT VENTURES

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Asscoiate Companies and Joint Ventures
Not Applicable

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS – PILLAR III

In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' requires banks to make applicable Pillar 3 disclosures including leverage ratio under Basel III Framework. The Pillar III disclosures have not been subjected to review by the statutory auditors. The Bank has made these disclosures which are available on its website at the following link.

https://www.yesbank.in/pdf/basel_iii_disclosure_mar_31_2018.pdf

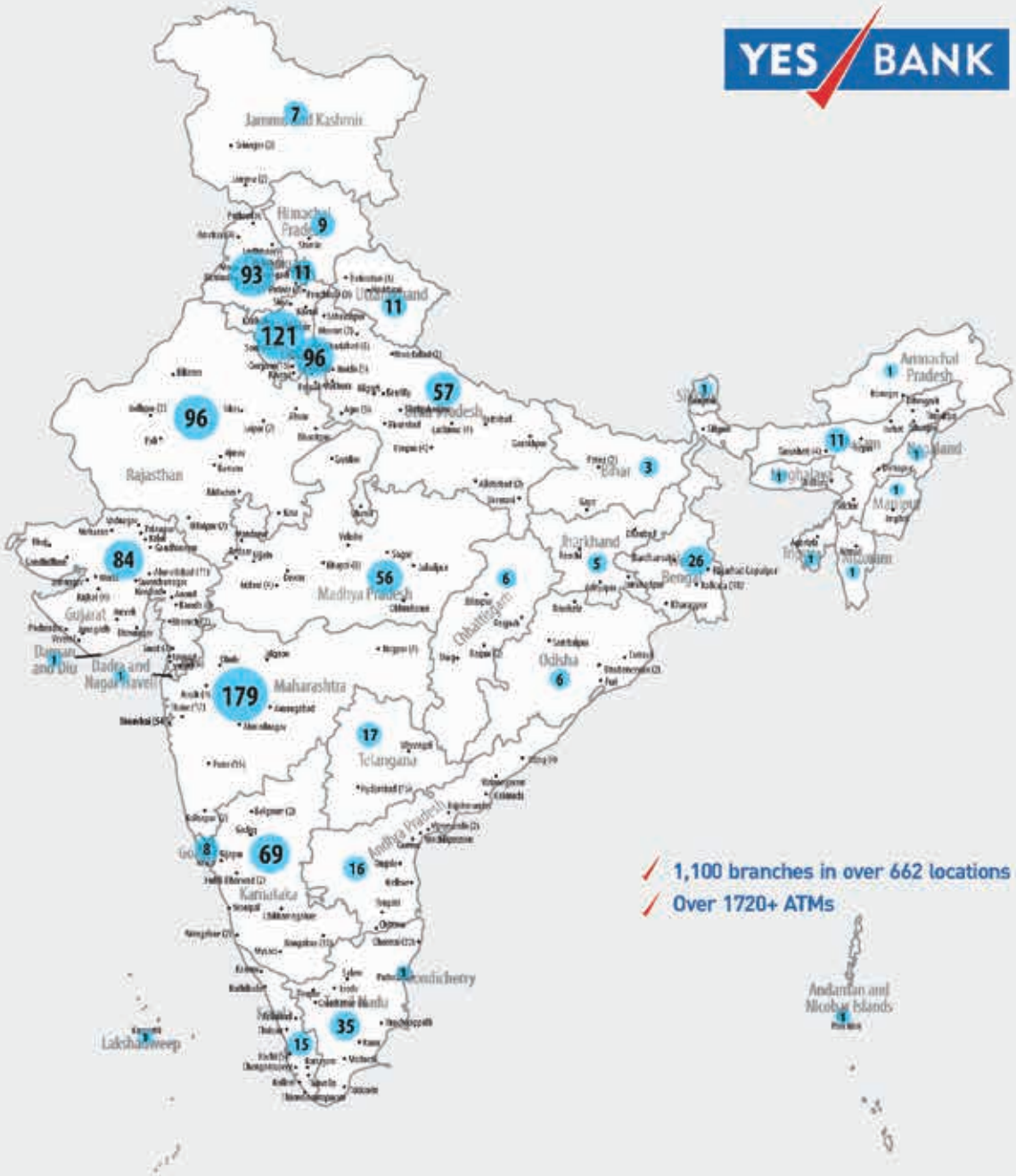
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BRANCH LOCATIONS



YES BANK Branch Network - 1,100 branches in over 662 locations

North : Adampur, Agra (3), Ajaib, Ajnala, Aligarh, Alipur, Allahabad (2), Alwar, Amargarh, Ambala Cantt, Amritsar (4), Anandpur Sahib, Anantnag, Anupshahr, Asal, Budi, Badshahpur, Baghpat, Bahadurgarh, Baharampur, Bangla, Barnar, Barnar, Bara Banki, Basni, Bareilly, Barnala, Batala, Bawal, Begowal, Behror, Bhatni Chanderpal, Bhadson, Bharat Surjan, Bhangrola, Bharari, Bharwani, Bhatinda (2), Bhiwadi, Bhogpur, Bilari, Bina, Bishanpura, Buchkala, Chandigarh (11), Chawri Bazar, Cheeka, Dadar, Damdama, Dasna, Dausya, Dauka, Dayalbagh, Dobar, Dohrudun (3), Donabassi, Dhamar, Dhanpur, Dhand, Dharamsala, Dhamnal, Dharuhera, Dholpur, Dhor, Dhuri, Dundahera, Durgapur, Faridabad, Fatehabad, Fatehgarh Churiyan, Faizabad, Firozabad (2), Firozpur, Gajraula, Ganaur, Gangapur City, Garhi Bazidpur, Garhi Harsaru, Ghaziabad (4), Goela Kalan, Gohana, Gorakhpur, Gurgaya, Greater Noida, Gulaothi, Gurdaspur, Gurgaon (15), Haileymandi, Handa, Handwar, Hajratpur, Hoshiangabad, Hoshiarpur, Indri, Jadeeda, Jalandhar (3), Jammu (2), Jandiala, Jaspur, Jatal, Jatiyana, Jatola, Jhajjar, Jhansi, Jind, Kabri, Kaithal, Kalka, Kangra, Karimbla, Kaneenda, Kanpur (8), Kapurthala, Karauli, Karnal, Kanda, Kartarpur, Kasana, Kashipur, Katra, Kenya Jat, Khairthal, Khandevla, Khandsa, Khanna, Kharak Jatan, Kharar (2), Khetra, Kherka Gujar, Kheria, Kheri, Khurgarh, Kithoor, Kosi Kalan, Kulasi, Kundo, Kundli, Kurali, Ladchhmangarh, Ladpur, Ladwa, Lawa Khurd, Ludhiana Khas, Lucknow (4), Ludhiana (9), Madlauda, Mahilpur, Malerkotla, Manali, Mandawar, Mandi, Mandi Gobindgarh, Mansoor, Mantt, Mathura, Mayur Vihar, Meerut (2), Mehrana, Modinagar, Moga, Mohali (3), Moradabad (2), Morinda, Mukerian, Muktsar, Mussoorie, Nabha, Nakodar, Nangal, Narnaul, Narwana, Nawanagpur, Nawada Fatehpur, Nawanshahr, Neemrana, New Delhi (96), Nilauthi, Noida (5), Nurmahal, Palwal, Panchkula (3), Panipat, Paonta Sahib, Pathankot, Patiala (2), Pehowa, Pelpa, Phagwara, Phalodi, Phullanwala, Pilana, Pinjore, Raebaar, Rai, Rajdhani Enclave, Rajgarh, Rajpura, Ramgarh, Ramnagar, Rudangarh, Rawatbhata, Rayya, Rohtag, Rewari, Rishikesh, Rohtak, Roorkee, Rudrapur, Rupenagar (Ropar), Safidon, Saharanpur, Saheewal, Samalkha, Samchana, Samrala, Sangrur Sankhol, Santhana, Shahbad Shahjahanpur, Shahkot, Shajapur, Shakarpur, Shikarpur, Shimla, Shrinagar (Mathura), Shujalpur, Sirsa, Sikanderpur, Sirsa, Sohana, Sohan, Sonepat, Srinagar (2), Sultanpur Lodhi, Sundernpur, Tanen, Tigaon, Tohana, Tooloro, Uchhanpur, Una, Umaarlanda, Varanasi, Vasishabad, Yamuna Nagar, Zirakpur (2)

West : AbuRoad, Adalaj, Ahmadnagar, Ahmedabad (11), Airpur, Ajmer, Amainer, Amreli, Anand, Ankleshwar, Aurangabad, Bidda, Balotra, Banswara, Baramati, Bardoli, Bareli, Barmer, Baroda (5), Barla, Beawar, Belavli, Betul, Bhaddle, Bharuch, Bharatpur, Bhavnagar, Bhawani Mandi, Bhilwara, Bhinder, Bhimrail, Bhonnagar, Bhopal (3), Bhorwadi, Bhuj, Bikaner, Bilari, Bodakdev, Bodeli, Borsad, Buldhori, Calangute, Chakan, Chandi, Chhindwara, Chikhli, Chinchhali, Chipkan, Chitrangarh, Chorna, Cuncheveri, Dahej, Daman, Dantia, Daund, Dausa, Deesa (6), Dehegam, Dnogarh, Deolali, Deoli, Dewas, Dhar, Dhule, Dholka, Dwarka, Fatehnagar, Gandhidham, Gandhinagar, Ghodegaon, Gwalior, Halol, Himmatnagar, Hukderi, Ignatpur, Indapur, Indore (4), Irwai, Jabalpur, Jaipur (7), Jaitaran, Jalgaon, Jalor, Jamkhandi, Jamnagar, Jamner, Jhalawar, Jodhpur (2), Junagadh, Junnar, Kadi, Kalol, Kandli, Kannad, Karvi, Kelhapur (2), Kota, Koppoli, Kudal, Kundevahal, Lalsot, Lasalgaon, Maholingpur, Mansarar, Mandalgarh, Mandideep, Mandsaur, Mapusa, Margao, Mehsana, Merta City, Morbi, Mudhal, Mumbai Metropolitan Region (74), Nadiad, Nagaur, Nagda, Nagpur (4), Narsinghpur, Nathli (4), Nasirabad, Nathdwara, Navsari, NDA, Neem-Ka-Thana, Nidhrad, Nhava, Nokha, Osale, Ozar, Padra, Palampur, Pali, Pandharpur, Panjim, Parner, Pen, Pilani, Pipuriya, Pithampur, Ponda, Por, Porbandar, Pune (13), Raisen, Rajgarh (Dhar), Rajpuranagar (Khed), Rajkot (4), Rajsamand, Ramganj Mandi, Ratlam, Rawer, Rohe, Rupal, Sachin, Sagar, Sanand, Santacruz (W) - S V Road, Sawai Madhopur, Sayaur, Sehore, Sendhwa, Seoni Malwa, Shahapur, Shahpura, Shirdone, Shri Dungargarh, Sihorli, Sikar, Silvassa, Sirmur, Sojat Road, Sriganda, Sumerpur, Surat (6), Surendranagar, Udaipur (2), Udaipurwati Ujjain, Umreine, Unnred, Unjha, Uran, Vadaj, Vadgaon Kasba, Vadnagar, Vadtala, Vallabh Vidyanagar, Valsad, Vapi, Varca, Vasco, Veraval, Vidisha, Vijapur, Virar, Virnagar, Vita, Wakaj, Warudmodi, Yeola

South : Ambur, Bangalore (32), Bijapur, Belgaum (2), Dharwar-sassery, Chennai (20), Chikkamagalur, Chikkodi, Chitoor, Coimbatore (3), Dharwad, Devanahalli, Erode, Gadag, Gorebal, Guntur, Haveri, Hosur, Hubli - Dharwad, Hyderabad (15), Kakinada, Kannur, Kazipi, Karur, Kavaratti, Krebi (5), Kollam, Koppal, Kottayam, Krishnedar, Kurichi, Lingsugur, Ongole, Machilipatnam, Madurai, Malaputam, Mangalore (2), Mumbai, Mamni, MVP Colony, Mysore, NAD Junction, Narasaraopet, Nellore, Palakkad, Puducherry, Rajahmundry, Rameswaram, Salem, Shamshabad, Shanti Nagar, Sindhanur, Sriperumbudur, Suryapet, Thiruvananthapuram, Thrissur, Timchinappalli, Tirupati, Tiruppur, Tiruvalla, Tripilcane, Tuticorin, Vijayawada (2), Virag (4), Visvanagapura, Warangal, Yadgir

East : Adityapur, Agartala, Aizwal, Asansol, Bardhaman, Bhubhaneshwar (2), Bidhan Nagar (2), Bilaspur, Chas - Bokaro, Cuttack, Dhanbad, Dibrugarh, Dimapur, Durg Bhilai, Durgapur, Gangtok, Goya, Guwahati (4), Howesh, Imphal, Itanagar, Jamshedpur, Jorhat, Kalyani, Kharagpur, Kolkata (18), Kurud, Patna (2), Port Blair, Puri, Raigarh, Raipur (2), Rajarhat Gopalpur, Rourkela, Sambalpur, Shillong, Sibsagar, Silchar, Siliguri, Tezpur, Tinsukiya

The map does not purport to be the political map of India or any part of India.

ACHIEVING INSTITUTIONAL EXCELLENCE



Since inception in 2004, YES BANK has created a paradigm in Indian Banking, through continuous Innovation and Excellence. As a full-service commercial and retail Bank, we dedicate ourselves towards delivering the Finest Banking Experience in India.

YES BANK

1,100 Branches Pan India | 1,720+ ATMs | 18,200+ YES BANKers

Registered Office: Nehru Centre, 9th Floor, Discovery of India, Dr. A.B. Road, Worli, Mumbai - 400018, India. www.yesbank.in

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LETTER TO THE SHAREHOLDERS

April 26, 2018

Dear Shareholders,

The Board invites you to attend the 14th Annual General Meeting (**"AGM"**) of the Shareholders to be held on **Tuesday, June 12, 2018 at 11.00 A.M., at Hall of Culture, Ground Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai – 400 018.** The AGM offers a valuable opportunity for you to meet the members of the Board and senior management and to ask questions on the operations, management and other issues relating to the Bank.

The items of business to be considered at the AGM are described in detail in the Notice of the AGM which follows this letter. **Your participation at the AGM is important and you can exercise your right to vote whether you choose to attend the meeting or not.**

The Board believes that sound corporate governance is crucial to our development in the long term and aspires to a high standard of governance. As part of our ongoing efforts to enhance our corporate governance and transparency, **we have provided in this letter background information to the resolutions to be proposed at the AGM** so that shareholders have a better understanding of their rights and can make an informed decision in relation to the subject matters of the AGM. Further **biographical details of the Directors standing for election/re-election, explanatory statement for relevant proposals including capital raising, and information on voting and other issues relating to the AGM has been provided in the Notice enclosed herewith.**

The Board considers that all resolutions proposed for consideration and approval by the shareholders at the AGM are in the best interests of the Bank and all its shareholders as a whole. Accordingly, the Board recommends the shareholders to vote in favour of the proposed resolutions.

We look forward for your support to the Board of Directors and Management of the Bank.

Yours faithfully,

On behalf of the Board of Directors



Shivanand R. Shettigar
Company Secretary

YES BANK Limited
CIN – L65190MH2003PLC143249
Regd. Office: 9th Floor, Nehru Centre,
Discovery of India, Dr. A.B. Road,
Worli, Mumbai 400018

PROPOSALS FOR THE APPROVAL OF SHAREHOLDERS

1. Adoption of the **audited financial statements of the Bank for the financial year ended March 31, 2018** and the Reports of the Board of Directors and the Auditors thereon; and the **audited consolidated financial statements of the Bank for the financial year ended March 31, 2018** and the Report of the Auditors thereon **– Ordinary resolution.**

2. To declare **dividend at a rate of ₹2.7 per equity share of ₹2 each (135%)** as recommended by the Board of Directors of the Bank – **Ordinary resolution.**

3. To appoint a director in place of **Mr. Ajai Kumar (DIN: 02446976)**, who retires by rotation and being eligible, offers himself for **re-appointment** – **Ordinary resolution.**

4. To **ratify the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022)** as **Statutory Auditors of the Bank**, to hold office from the conclusion of this AGM till the conclusion of Fifteenth AGM of the Bank, subject to approval from Reserve Bank of India and delegate the power to the Board of Directors or the Audit Committee to decide the remuneration thereof – **Ordinary resolution.**

5. To approve the **appointment of Mr. Subhash Chander Kalia (DIN: 00075644),** who was appointed as an Additional Director, **as Non-Executive Non-Independent Director of the Bank,** liable to retire by rotation **– Ordinary resolution.**

6. To approve the **appointment of Mr. Rentala Chandrashekhar (DIN: 01312412),** who was appointed as an Additional Director, **as Independent Director of the Bank** for a period of five years, not liable to retire by rotation **– Ordinary resolution.**

7. To approve the **appointment of Dr. Pratima Sheorey (DIN: 08120130),** who was appointed as an Additional Director, **as Independent Director of the Bank** for a period of five years, not liable to retire by rotation **– Ordinary resolution.**

8. To approve the **re-appointment of Mr. Rana Kapoor (DIN: 00320702), Managing Director & CEO of the Bank** for a period of 3 years commencing from September 1, 2018, subject to approval of Reserve Bank of India and to approve the remuneration payable to him with effect from April 1, 2018 and during the tenure of 3 years **– Ordinary resolution.**

9. Approval for increase in the **borrowing limits from ₹70,000 Crore to ₹110,000 Crore – Special resolution.**

10. Approval for borrowing/ raising funds in Indian/foreign currency by issue of **debt securities upto ₹30,000 Crore (the "NCDs")** to eligible investors on private placement basis **– Special resolution.**

11. Approval for **raising of capital upto USD 1 Billion** by issue of shares or convertible securities in one or more tranches provided however that the aggregate amount raised shall not result in increase of the issued and subscribed equity share capital of the Bank by more than 10% of the then issued and subscribed equity shares of the Bank **– Special resolution.**

12. Approval of Employee Stock Option Scheme of the Bank i.e. **'YBL ESOS – 2018'** to grant, offer, issue and allot, **to the Employees 7,50,00,000 (Seven Crore Fifty Lakh) equity stock options, convertible into 7,50,00,000 (Seven Crore Fifty Lakh) equity shares** of the nominal face value not exceeding ₹2 (Rupees Two) per equity share, and the maximum dilution that could take place in future under the YBL ESOS - 2018 would not exceed 3.15% of the expanded issued and paid-up share capital of the Bank **– Special resolution.**

13. Approval for **extending the benefits of YBL ESOS – 2018 to the eligible Employees of the Subsidiary Companies** of the Bank **– Special resolution.**

YES BANK LIMITED

CIN: L65190MH2003PLC143249

Registered Office: 9th Floor, Nehru Center, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India.
Tel.: +91 (22) 3366 9000 Fax: +91 (22) 2490 0314 Website: www.yesbank.in Email: shareholders@yesbank.in

SHAREHOLDERS' SATISFACTION SURVEY 2018

Dear Shareholders,

We at YES BANK (the '**Bank**') have always strived to provide the best possible services to our investors and customers while maintaining the highest level of Corporate Governance in the Bank.

As a part of our constant endeavour to improve shareholder service standards we seek your feedback through this survey.

We request you to fill the questionnaire given below and send it back to us, to enable us to serve you better.

Thank You,

Shivanand R. Shettigar
Company Secretary

Name :

Contact Person
(In case of Corporate Holding) :

Folio No./DP ID No. Client ID No. :

No. of shares held :

Name of City / Village :

E-mail ID :

Contact No. :

I. CONTENT OF THE ANNUAL REPORT OF THE BANK

5 – Excellent, 4 – Very Good, 3 –Good, 2 –Satisfactory, 1 – Needs Improvement

Parameters	5	4	3	2	1
Design & Layout					
Quality of Printing & Delivery					
Overall Content of Annual Report					

II. INVESTOR RELATIONS SECTION ON THE WEBSITE OF THE BANK

5 – Excellent, 4 – Very Good, 3 –Good, 2 –Satisfactory, 1 – Needs Improvement

Parameters	5	4	3	2	1
Quality & Relevance of Information					
Level of Corporate Governance					
Navigability					

III. SERVICES PROVIDED BY KARVY COMPUTERSHARE PRIVATE LIMITED, OUR REGISTRAR & SHARE TRANSFER AGENTS

5 – Excellent, 4 – Very Good, 3 –Good, 2 –Satisfactory, 1 – Needs Improvement

Parameters	5	4	3	2	1
Quality of response					
Speed of response					
Accessibility					

IV. HOW DO YOU RATE THE RECEIPT OF VARIOUS DOCUMENTS

5 – Excellent, 4 – Very Good, 3 –Good, 2 –Satisfactory, 1 – Needs Improvement

Particulars	5	4	3	2	1
General Notices					
Annual Report					
Dividend / ECS intimations					
Others (Mid-year communication, transfer/transmission related. etc.)					

V. OVERALL ASSESSMENT OF INVESTOR SERVICE STANDARDS OF THE BANK

5 – Excellent, 4 – Very Good, 3 –Good, 2 –Satisfactory, 1 – Needs Improvement

Parameters	5	4	3	2	1
Quality of Service					
Speed of response					
Adequacy of response received					

VI. DO YOU HAVE ANY GRIEVANCE WHICH IS NOT ADDRESSED SO FAR

☐ YES ☐ NO

(If yes, Please provide a brief summary of the grievance)

THANK YOU FOR YOUR SUPPORT
YOUR FEEDBACK IS IMPORTANT TO US!

YES BANK LIMITED

CIN: L65190MH2003PLC143249

Regd. 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)24900314 Website: www.yesbank.in Email.: shareholders@yesbank.in

Serial No. :

Folio Number / DP ID No.
and Client ID No.* :
*(*Applicable only to Members holding equity shares in dematerialised form)*

Name :

Registered Address of the
Sole/first named Member :

Name(s) of the Joint Holder(s), if any :

Dear Shareholder(s)

Please find enclosed the Notice convening the 14th Annual General Meeting ('**AGM**') of YES BANK Limited (the '**Bank**') to be held on **Tuesday, June 12, 2018** at **11.00 A.M.** and the Annual Report for the Financial Year 2017-18.

The Bank is offering remote e-voting facility to its Members enabling them to cast their votes electronically. The Bank has appointed Karvy Computershare Private Limited ('**Karvy**' or '**Service Provider**') for facilitating remote e-voting to enable the Members to cast their votes electronically pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In this regard, please find below USER ID and Password for remote e-voting:-

EVEN (E- Voting Event Number)	USER ID	PASSWORD

Note:- Please turn over for detailed process and manner for e-voting.

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 on Cut-off date i.e. **Tuesday, June 5, 2018.** You may also choose the option **ABSTAIN**. If the **Member** 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) Member holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
   (ix) Voting has to be done for each resolution of the 14th AGM Notice separately. In case you do not desire to cast your vote on any specific resolution 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, Shareholders can login any number of times till they have voted on 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 **"YES BANK_ EVENT NO."** The documents should reach the Scrutinizer and such other person on or before **Monday, June 11, 2018 at 5.00 P.M.**

   B. In case of Shareholders 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.
2. 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. **Tuesday, June 5, 2018,** may write to the Karvy on the email Id evoting@karvy.com or to **Ms. Shobha Anand, Deputy General Manager, Contact No. 040-67162222, 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 1 (A) above, to cast the vote.
3. The remote e-voting period commences on **Friday, June 8, 2018 at 10:00 A.M. and ends on Monday, June 11, 2018 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 **Tuesday, June 5, 2018,** 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 at the AGM.
4. In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com (Karvy's website) or any grievances or queries of the Members of the Bank connected with the electronic voting can be addressed to the Bank's Registrar & Share Transfer Agents, Karvy Computershare Private Limited ***(Unit: YES Bank Limited)***, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 to Contact Person: ***Ms. Shobha Anand, Deputy General Manager, Telephone Nos. 040-67162222.***
5. 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 **Tuesday, June 5, 2018.**
6. The Board of Directors has appointed **Ms. Dipti Mehta, Partner of M/s Mehta and Mehta, Company Secretaries,** failing her, **Ms. Ashwini Inamdar, Partner of M/s Mehta and Mehta, Company Secretaries as a Scrutinizer** to scrutinize the voting through Remote e-voting and Insta Poll process in a fair and transparent manner.
7. 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 **Insta Poll** as explained in AGM Notice, for all businesses specified in the accompanying Notice.
8. 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 scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who will countersign the same. The Chairman or a person authorised by him in writing will declare the result of voting forthwith.
9. 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.
10. 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 will be made to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.