

YBL/CS/2023-24/070

July 14, 2023

**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**

**BSE Limited**

Corporate Relations Department  
P.J. Towers, Dalal Street  
Mumbai - 400 001  
Tel.: 2272 8013/15/58/8307  
**BSE Scrip Code: 532648**

Dear Sirs,

**Sub.: Integrated Annual Report of the Bank for the Financial Year 2022-23**

In compliance with the provisions of Regulation 34(1)(a) and other application provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Integrated Annual Report of the Bank for the Financial Year 2022-23.

The same is also made available on the website of the Bank at the following link:  
<https://www.yesbank.in/annual-reports/annual-report-year22-23>

The Bank has commenced dispatch (by electronic means) of the Notice of 19<sup>th</sup> Annual General Meeting and the Integrated Annual Report for FY 2022-23 to the shareholders from today i.e. July 14, 2023.

We request you to take above on your record and disseminate to all concerned.

Thanking you,

Yours faithfully,

For **YES BANK LIMITED**

**Shivanand R. Shettigar**  
**Company Secretary**

*Encl: As above*



 **YES BANK**

**LIFE  
KO BANAO  
RICH**

Integrated Annual Report

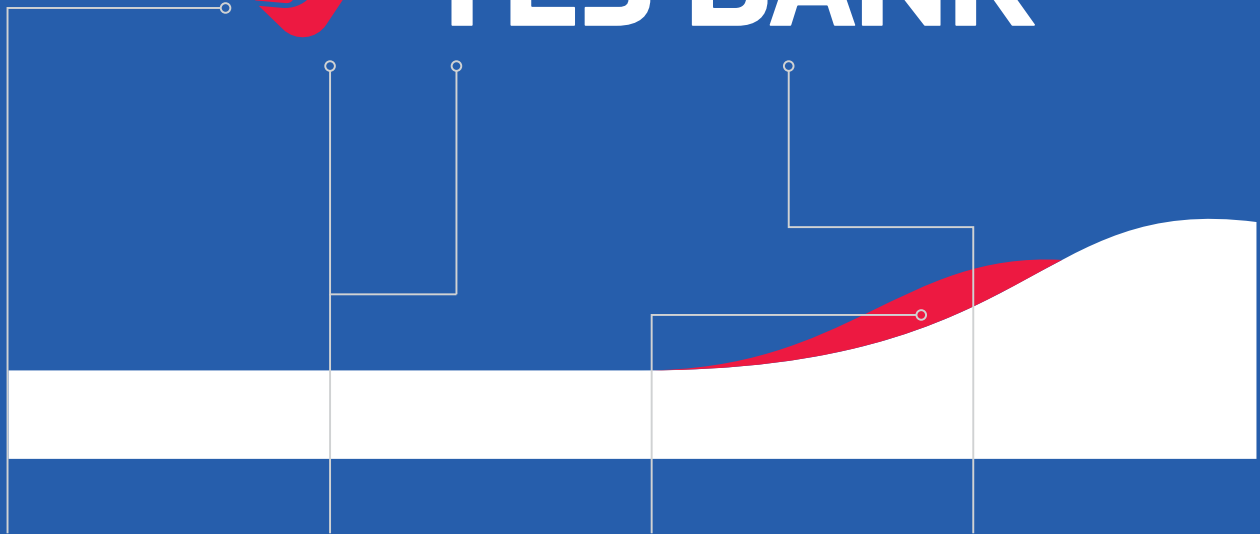
**2022-23**



## Iconic brand identity elements



# YES BANK



### Soaring Tick

We have unlocked the tick from the box, and given it a new meaning. The tick is now in the shape of a soaring bird and represents our determination to soar to newer heights, to prosper and to flourish. The soaring tick is an independent element and a true mnemonic of our brand. A standalone soaring tick, anywhere, represents YES BANK.

### Our Colour

We have continued with our Red and Blue colours, which symbolises our embrace of our past strengths, but have improved upon them to freshen them up, bring them in sync with today and make them more digital friendly.

### Flourish

The flourish design represents that the brand is fluid and agile and this dynamism transcends into brand essence of thriving and flourishing everyday, and therefore, a true representative of our tagline of LIFE KO BANA O RICH!

### Our Font

We have continued with the upper case look of the Bank name, but at the same time we have softened the rigid angular lines, and modernised the typography to make it softer and fluid in nature.

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## KEY HIGHLIGHTS FY 2022-23

**₹ 11,844 cr**

Total Net Income

**₹ 3,183 cr**

Operating Profit

**₹ 717 cr**

Net Profit

**₹ 100,000 cr**

New Sanctions /  
Disbursements

**0.8%**

Net NPA

**17.9%**

Capital Adequacy  
Ratio

**30.8%**

CASA Ratio

**59%**

Share of Retail and  
SME in Total Advances



Scan the above  
QR code to read the  
report on your  
handheld device

# Brand Identity



## LIFE KO BANA O RICH

Our Life. Let's think of it as the single-most important account we have. Holding all the wealth of our experiences. The memories we treasure, the friendships we've earned, and the happiness we've accrued along the way.

Imagine the returns we would get if only we would put away some joy in it everyday. A moment here, an indulgence there.

If only we were as concerned about making memories, as we are about making money. If following our interests mattered as much to us as interest rates do.

Life. It's the one account that matters the most. The only account you should concern yourself with. As for the rest? Our banking solutions, have it covered.

 SAVINGS ACCOUNTS

 CREDIT AND DEBIT CARDS

 RETAIL AND BUSINESS LOANS

 CORPORATE BANKING

 FIXED DEPOSITS

 WEALTH MANAGEMENT

 CURRENT ACCOUNTS

 SME BANKING

[yesbank.in](https://www.yesbank.in)

# About this Report

YES BANK is pleased to present its first Integrated Annual Report (IR) that delineates the Bank's financial and non-financial performance, and its progress at integrating Environmental, Social and Governance (ESG) considerations, into its operations, portfolio and larger value chain, during the financial year 2022-23.

## Scope and Boundary

The Report is limited to information pertaining to the facilities and operations of YES BANK Limited (YES BANK), unless specified otherwise. Facilities covered within the boundary of this Report include:

- The Bank's nine Corporate Offices in India (including the Bank's Registered Office, YES BANK House in Santacruz - East, Mumbai)
- Its 1,192 Branches and 1,301 ATMs across 28 States and three Union Territories of India
- Its two international facilities viz. a representative office in Abu Dhabi and an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
- The Bank has one subsidiary namely Yes Securities (India) Limited (YES SECURITIES) which is outside the purview of this report (unless specified otherwise)

## Reporting Standards and Principles

This report provides detailed financial and non-financial disclosures aligned to several statutory and voluntary disclosure standards and frameworks.

### **The Bank's financial disclosures are aligned to the following reporting standards and frameworks:**

- 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 and clarifications 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 Companies (Accounting Standards) Rules, 2021 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 the RBI guidelines

### **The Bank's statutory disclosures are aligned to the following reporting standards and frameworks:**

- Companies Act, 2013 (including the rules made thereunder)
- The Securities and Exchange Board of India (SEBI) Regulations, 2015 and other SEBI circulars (Listing Obligations and Disclosure Requirements)
- The Banking Regulation Act, 1949 and other relevant RBI regulations
- The Secretarial Standards issued by The Institute of Company Secretaries of India

### **The Bank's non-financial disclosures are aligned to the following reporting standards and frameworks:**

- The Bank's Integrated Annual Report has been prepared in accordance with the guiding principles of the International Integrated Reporting Framework
- YES BANK has reported in accordance with the GRI Standards for the period April 1, 2022 to March 31, 2023 (FY 2022-23). The Bank's sustainability disclosures are published on an annual basis

## About this Report

- The Report also contains enhanced climate disclosures aligned to the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations
- The Bank has published its Business Responsibility & Sustainability Report (as part of its Annual Integrated Report) in alignment with the National Guidelines on Responsible Business Conduct (NGRBC)

### Approach and Preparation

In line with the Principles of the International <IR> framework, YES BANK's Annual Integrated Report seeks to provide its stakeholders with a comprehensive insight into the Bank's integrated approach to value creation. The Bank has identified key material topics that represent its most significant impacts on the economy, environment, and the society (detailed on page 76 of this report). The Report highlights the interactions between the Bank's material topics, its strategy, its approach to risk management and governance, in the context of its operating environment, and describes how its business model has impacted its financial, manufactured, intellectual, human, social and relationship, and natural capitals. The Report has been prepared by a cross-functional, integrated reporting team, led by the Chief Financial Officer and the Company Secretary, with inputs from business units, control and support functions from across the Bank, and with review and oversight provided by senior and top management. The report contains two restatements from the previous year.

### Responsibility Statement

The Bank acknowledges the integrity of the information provided in this Annual Integrated Report and believes that the Report is a fair representation of its financial and non-financial performance for FY 2022-23. The Board is apprised of the Report's alignment with the IR framework and acknowledges that the information provided in the Report has been reviewed and approved by respective business unit heads, and the top management.

### Assurance

The financial statements in this report have been independently assured by M/s. M.P. Chitale & Co., Chartered Accountants (FRN 101851W) ('MPC') and Chokshi & Chokshi LLP, Chartered Accountants (FRN 101872W/W100045) ('C&C'). The selected non-financial disclosures as per GRI 2021 mentioned in the Assurance Statement of this Report have been independently assured by KPMG Assurance and Consulting Services LLP.

### Feedback

YES BANK welcomes feedback and suggestions on this report, which may be communicated to [shareholders@yesbank.in](mailto:shareholders@yesbank.in) or [responsible.banking@yesbank.in](mailto:responsible.banking@yesbank.in)

# At a Glance

## A high-quality, customer-centric, service-driven Bank

We are a full-service commercial bank providing a diversified range of products, services and technology driven digital offerings, with a pan-India presence, empowering customers to achieve their full potential and catering to India's future businesses.

With a service-focussed and tech-driven approach, we are proud to offer a robust digital service that extends the reach and ease of banking across our Corporate, Mid Corporate, SME and Retail (including Rural)

customers with privileges that make banking a pleasure. We also offer financial solutions to sunrise sectors and under-served communities.

Through our wholly-owned subsidiary YES SECURITIES, we operate Investment Banking, Merchant Banking and Brokerage Businesses. We also operate an IFSC Banking Unit in GIFT City at Gandhinagar, Gujarat and a representative office in Abu Dhabi.

### New-Age Private Sector Bank

**7.5 million**  
Happy Customers

**₹ 354,786 crore**  
Total Assets

**₹ 203,269 crore**  
Total Advances

### Share in Advances#

**59%**  
Retail and SME

**14%**  
Mid Corporate

**27%**  
Corporate

### Market Leader in Payments

**#1 in UPI P2M**  
transactions with  
38.3%\* share

**#1 in**  
NEFT Outward  
Debit Transactions

**22.8% AEPS\***  
Market Share in  
Transaction Volumes

### Young and Dynamic Workforce

**27,517**  
Employees

**9**  
Average years of service in the  
Bank for Top Management

**#2**  
Among large-sized banks in the  
Best Places to Work in India 2022

### Pan-India Presence

**1,192**  
Branches

**150**  
BC Banking Outlets

**700+**  
Cities

**1,301**  
ATMs/BNAs/CRMs

### ESG-focussed Franchise

**68/100**  
Highest ESG Score  
amongst Indian Banks  
in S&P Global CSA

**'A-'**  
(Leadership Band)  
Highest CDP rating among Indian  
Banks for climate disclosures

**7.6 lakh**  
Active women customers in  
rural India

\* (for Q4 FY 2022-23)

# Basis Internal Business Segmentation



# Message from Chairman



## **Dear Shareholders,**

I write to you as the Chairman of the Board of Directors at YES BANK Limited, a position I took charge of with a deep sense of humility and gratitude. Both, in my earlier association as an Additional Director appointed by the Reserve Bank of India (RBI) (between May 14, 2019 and March 5, 2020 and March 26, 2020 till July 20, 2022) under the Banking Regulations Act, and subsequently as the Chairman of the Board of Directors, I have had an opportunity to be part of a resolute turnaround journey of YES BANK.

## DURING FY23, THE BANKING SECTOR WITNESSED DECADAL HIGH CREDIT GROWTH AND BEST ASSET QUALITY LEVELS SEEN IN SEVERAL YEARS



For the Bank, the past three years have been a testament of its resilience, adaptability, and collective effort of all its stakeholders. Our ability to navigate through these turbulent times was a testimony to the commitment and dedication of our employees, the loyalty of our customers, and the unwavering support of our shareholders and the regulator.

### Macro-economic scenario

In FY23, as the world grappled with rising geopolitical tensions, supply chain disruptions and rise in commodity prices, the global economy faced significant headwinds and underwent through its weakest medium-term growth with increased financial stability risks. Resultant inflationary pressures caused central banks to raise interest rates which further impacted growth. However, despite global macroeconomic challenges,

the Indian economy, continued to exhibit resilience, and emerged as the fastest growing major economy in the world and clocked GDP growth at 7.2% in FY23 supported by continued economic reforms, tailwinds from pent-up domestic demand and consumption, revival in contact-intensive services sector, and a significant step-up in public and private capital expenditure, etc.

During the year, while there were some concerning developments in select banks globally, however, owing to the prompt regulatory interventions, it did not have any major impact on the depositors. On the other hand, India's banking sector, being well regulated and well capitalised, continued to perform well in the previous fiscal. In FY23, despite globally induced volatility hiccups and supply chain disruptions, the banking sector credit growth was 15.6% Y-O-Y,

compared to a Y-O-Y growth of 11.0% in FY22. This growth was broad-based and across all population groups viz. rural, semi-urban, urban, and metropolitan. Aggregate deposits within the banking sector saw some moderation and grew at 10.2% vs. 10.4% a year ago. Asset quality improved to the best in several years, with the banking industry's GNPA ratio at a 7-year low, and NNPA ratio being at a decadal low.

Like its global counterparts, India too, witnessed elevated levels of inflation in FY23. However, several measures undertaken by the RBI, including hiking the benchmark repo rate cumulatively by 250 basis points (since May 2022) helped in cooling it down in the second half of FY23, causing the RBI to take a 'tactical pause' on rate hikes in the recent MPC meetings of April and June 2023.

## Chairman's Message

### THE BANK RECORDED SECOND STRAIGHT YEAR OF PROFITABILITY IN FY23 WITH 9.2% Y-O-Y GROWTH IN OPERATING PROFITS



#### **FY23 for YES BANK in brief**

FY23 was a milestone year for YES BANK, characterised by its continued transformation journey. As part of which, the Bank fortified its balance sheet by completing the assignment of a legacy stress assets portfolio to an ARC, raising growth capital from funds affiliated with two global marquee private equity investors.

With sufficient capital and a very strong liability franchise, a fortified and granular balance sheet, YES BANK is extremely well prepared to focus on growth as well as profitability, while continuing to adapt the best-in-class Risk and Governance practices.

I take pride in sharing with you, that this is also the second straight year of profitability recorded post the Reconstruction of the Bank, with operating profits having grown 9.2% Y-O-Y. The balance sheet continued to grow at a healthy pace with further enhancement in granularity in both Assets and Liabilities.

In yet another key achievement, the Bank received credit rating upgrades during the year from several prominent independent rating agencies, including Moody's, CRISIL, CARE and India Ratings. The long-term rating of the Bank by domestic agencies has improved to A- from D in March 2020, while the short-term rating is at the highest possible level of A1+.

During the previous year, pursuant to the Reconstruction Scheme, the Bank constituted an alternate Board on July 15, 2022, which was further expanded during the year with new nominee Directors joining the Board. Currently, the Board consists of 13 eminent Directors, comprising 7 independent Directors and 3 women Directors, who are domain specialists with extensive strategic, operational and leadership experience. Moreover, ensuring stability in both Governance and Management, the RBI also approved the appointment of our MD & CEO effective October 2022, for a period of three years.

#### **ESG-focussed banking**

Given its outsized role in achieving India's Sustainable Development Goals (SDGs) and climate objectives, the financial sector continues to see major regulatory actions and developments on the ESG front. The RBI's 'Discussion Paper on Climate Risk and Sustainable Finance', published this year, sought to highlight the risks posed by climate change to the banking sector and called on banks to take preparatory actions. With a view to foster the development of a green finance ecosystem in the country and augment the flow of finance towards green activities, the RBI also introduced a framework for acceptance of Green Deposits. The Central Bank is further expected to issue a disclosure framework for climate-related financial risks and guide banks on protecting their portfolios through climate scenario analysis and stress testing. The market regulator on the other hand has undertaken a slew of measures to strengthen and standardise

**WE RECEIVED CREDIT RATING UPGRADES DURING THE YEAR FROM MOODY'S, CRISIL, CARE AND INDIA RATINGS; LONG-TERM RATING OF THE BANK HAS IMPROVED TO A- FROM D IN MARCH 2020, WHILE THE SHORT-TERM RATING IS AT THE HIGHEST POSSIBLE LEVEL OF A1+.**



ESG disclosures through the mandatory Business Responsibility & Sustainability Report (BRSR), which became applicable to the top 1,000 listed companies, this year. The Government of India also successfully launched India's first sovereign Green Bonds, raising an aggregate amount of ₹ 16,000 crore (USD 2 billion) through two issuances, and providing a huge impetus to the domestic green debt securities market. These developments underscore the growing importance of aligning the objectives of India's banking sector with the country's sustainable development agenda and global best practices in ESG. As the only Indian banking signatory to the Principles for Responsible Banking, YES BANK is committed to aligning its business with the objectives of the SDGs and the Paris Climate Agreement. In FY 2022-23, the Bank strengthened this commitment by undertaking significant actions, including, targets

to reduce its financed emission intensity (electricity generation sector portfolio) and enhance financial inclusion amongst women microfinance borrowers.

### **Moving ahead**

We, at YES BANK, continuously endeavour to build a strong institution of global repute, size and stature that generates exceptional value for our shareholders. Our ongoing efforts continue to revolve around adhering to the highest standards of Governance, Risk and Compliance, simplifying the operations of the Bank, creating a more user-friendly environment for both employees and customers. We aim to provide customers with suitable products and sound advice, along with a robust people-oriented culture. We remain focussed on data and information security risk and its mitigation so that we remain trustworthy and relevant to the needs of our customers.

I would like to thank my colleagues on the Board for their continued support and dedication in steering through these crucial times.

On behalf of the entire Board of Directors and the Management team, I extend my warmest greetings and express our most sincere appreciation for your unwavering support and trust in the YES BANK franchise.

Sincerely,

**Rama Subramaniam Gandhi**

Chairman

# Message from Managing Director & CEO



## Dear Shareholders,

Financial Year 2022-23 will be remembered as a milestone year in our history as the Bank achieved multiple significant milestones including a successful capital raise from funds affiliated with two global marquee private equity investors; completing the transfer of the largest pool of stressed assets to JC Flowers Asset Reconstruction Company (ARC), among others. FY23 also marked the second year in a row of full profitability for the Bank.

THE EQUITY CAPITAL RAISE FROM CARLYLE AND ADVENT INTERNATIONAL IS ONE OF THE LARGEST PRIVATE CAPITAL RAISE BY AN INDIAN PRIVATE SECTOR BANK OVER THE LAST TWO DECADES.

THE CAPITAL RAISE HAS ALSO BOLSTERED THE BANK'S CAPITAL ADEQUACY WITH CET-I RATIO AT 13.3% AS AT MARCH 31, 2023 VIS-À-VIS 11.6% AS OF MARCH 31, 2022

This has been in the backdrop and in continuation of major progressions made on several strategic objectives, including the strengthening of our Governance and Compliance standards, bolstering the balance sheet through granularity, a strong liability franchise and expanding our customer base. I am humbled to say that our Bank has successfully emerged as a reenergised, well capitalised, new generation (next gen), refreshed and recalibrated banking institution. And while treading this journey, we remain fully aligned to our unwavering commitment towards our customers, employees, and all our stakeholders. A reflective of our reenergised version is captured through our refreshed Brand identity which has been recently launched.

As we have surpassed a difficult phase and rebuilt the Bank's foundation with purpose, resilience and character, I am pleased to share with you that, the YES BANK of today, being an environmental, social, and governance (ESG) led, responsible banking franchise, is quite well prepared to continue to achieve scale along with profitability.

#### Key highlights of FY23

During the year, the Bank raised an equity capital of nearly ₹ 8,900 crore (USD 1.1 billion) from funds associated with two marquee global private equity investors, viz. Carlyle and Advent International, with them acquiring a 9.99% stake each in the Bank (on a fully diluted basis and post full conversion of outstanding warrants). This has been one of the largest private capital raise by an Indian private sector bank

over the last two decades, and is a testimony of our inherent strengths. With the induction of two new nominee directors (one each from Carlyle and Advent International), we now have an eminent 13-member Board with 7 independent directors and 2 nominee directors from State Bank of India. We are extremely proud to have three women directors on our Board, which embodies that diversity and inclusion remain the core ethos of the Bank. The capital raise has also bolstered the Bank's capital adequacy with CET-I Ratio at 13.3% as at March 31, 2023 vis-à-vis 11.6% as at March 31, 2022 and is expected to further increase by nearly 150 basis points post full conversion of warrants. This strong capital base will support the Bank in its long-term sustainable growth objectives.

## Message from Managing Director & CEO

### ASSIGNMENT OF ₹ 48,000 CRORE STRESSED ASSET LOAN PORTFOLIO AS AT MARCH 31, 2022 TO JC FLOWERS ARC



In another strategic move, the Bank assigned identified stressed loan portfolio of the Bank aggregating to around ₹ 48,000 crore (principal outstanding as at March 31, 2022) to JC Flowers ARC. Post-sale of the assets, our Net NPA has improved to 0.8%, as at March 31, 2023 vis-à-vis 4.5% as at March 31, 2022. The combined value of our Net NPA and Net Carrying Value of Security Receipts improved to 2.4% of Net Advances as at March 31, 2023 vis-à-vis 4.8% as at March 31, 2022 and 6.8% as at March 31, 2021.

#### Key Business Highlights - FY23

YES BANK originated new loans and sanctions of nearly ₹ 1 lakh crore during the course of FY23. Our loan book recorded a growth of 12.3% Y-O-Y while our Deposits grew by 10.3% Y-O-Y. We are becoming more granular, as at March 31, 2023; the mix of Retail and SME advances to our Mid-Corporate and Large Corporate book was nearly 59:41% and we expect it to not change materially from hereon as the de-bulking and de-risking of the large corporate portfolio is nearing completion. On the Deposits front, our strategic focus on Current Account growth and Granular segments, resulted in 27.3% Y-O-Y

### SINGLE LARGEST TRANSACTION OF SALE OF NON-PERFORMING ASSETS IN THE INDIAN BANKING SECTOR



growth in Current Account Deposits and 21.1% Y-O-Y growth in Deposits from Retail segments. Our customer acquisition machinery is gaining momentum, with 13 lakh new CASA accounts being added last year. We are now adding more than one lakh customers every month, while constantly improving our customer satisfaction scores.

During the year, the Bank reported a rise in standalone total assets, which stood at ₹ 354,786 crore, up 11.5% from total assets of ₹ 318,220 crore in the previous year.

Our Net Profit for FY23 stood at ₹ 717 crore. The Bank managed to report full-year profitability for the second straight year, despite an accelerated provisioning during Q4FY23 that resulted into Provisioning Coverage Ratio on NPAs rising from nearly 49% to nearly 62% as at March 31, 2023. The Bank reported an Operating Profit of ₹ 3,183 crore in FY23, which is a 9.2% growth over the previous year. Total income for the reporting period stood at ₹ 11,844 crore, up 21.4% Y-O-Y. For the year ending March 2023, the Bank's net interest income stood at ₹ 7,918 crore, a growth of 21.8% Y-O-Y.

Among other major highlights, the Bank's Gross NPA reached 2.0% as at December 31, 2022 which is lowest since quarter ending September 2018, owing to the transfer of stressed assets to JC Flowers ARC. Despite a sharp rise in the prevailing interest rate environment, we managed a better control on our cost of funding and worked further on improving yields on the loan book, which resulted in expansion in our Net Interest Margins (NIMs) to 2.6% for FY23 (vis-à-vis 2.3% in FY22) and 2.8% for Q4FY23 (vis-à-vis 2.5% in Q4FY22). While in the near term, margins will have headwinds from deposit repricing, we are confident to expand our NIMs over the next four to six quarter period on the back of yields calibration, improvement in our cost of funds, further recoveries, upgrades and resolutions in NPAs and Security Receipts, and addressing the priority sector lending (PSL) drag.

While making definitive progress on the operating metrics, the Bank continued to exert its erstwhile dominance in the digital and transaction banking space. Leadership in the new-age digital payments aided the Bank in higher market share with progressive

## YES BANK ORIGINATED NEW LOANS AND SANCTIONS OF NEARLY ₹ 1 LAKH CRORE DURING THE COURSE OF FY23



payment platforms, including NACH, IMPS, NEFT, AEPS and UPI market share at 6.3%, 11.2%, 17.7%, 22.8% and 38.3% respectively for Q4FY23.

### Refreshed Brand Identity: Poised to Soar Higher

With growth fundamentals firmly in place, the next strategic move involved reimagining the YES BANK brand. While our erstwhile brand was loved for its innovation, digital prowess and service standards, the Bank's capabilities needed a new-age narrative and a brand personality that is in sync with the YES BANK of today. The YES BANK of today and its refreshed brand ethos reflects what we stand for, the values we hold, and the bond that we share with our customers. As part of the refreshed identity, a vibrant new logo has been launched in May 2023 which carries forward the visual DNA of the Bank and builds on it. The tick has been transformed into a soaring bird, which represents our aspiration to soar, even higher. The smoothened out fonts, a vibrant colour palette and a visual flourish reflect the modern, agile and digitally forward Bank that we are.

As we transform ourselves into a modern, agile and digitally superior bank, that is at the cutting edge of innovation, our refreshed identity also reflects what we stand for today and what is the vision for tomorrow. Our new identity depicts a bold, fresh way of doing things and promises to deliver a Banking experience that is Seamless, Intuitive and Effortless.

### A customer-centric approach

We have enhanced capacity and means to serve more customers across a wider spectrum. With a best-in-class and well-diversified products and services portfolio, we will continue to expand our reach. Further, we are enabling the Bank to innovate in the digital space, with better technology architecture. Moreover, an efficient risk management structure and corporate governance is helping the Bank create superior and consistent value for our customers.

We are pushing on enhancing our responsiveness to customers and making us the banker of choice. Our strategic focus will be on expanding our footprint with a mix of digital and physical. Having opened

## NET NPA + NET CARRYING VALUE OF SECURITY RECEIPTS AT 2.4% VIS-À-VIS 4.8% AS AT MARCH 31, 2022



83 new branches in FY23, we plan to continue to expand our distribution network and add nearly 150 new branches in FY24 in strategically important business clusters and districts, alongside densifying our presence in some of the existing key geographies.

To further serve the changing requirements of our customers, last year, we launched a number of innovative and customer-centric products including the first-of-its-kind floating rate Fixed Deposit linked to The Reserve Bank of India's (RBI) Repo Rate, fully customisable credit card (Build Your Own Card), becoming the first bank in Asia Pacific to bring forth a debit card on Mastercard's premium World Elite Platform, among many other initiatives.

### At forefront of innovation in digital solutions

With technology adoption being imperative for sustenance of any business strategy execution, we are enhancing our digital capabilities and making a major shift towards accelerating our digital transformation journey. Apart from this, we made continued efforts to upgrade



## Message from Managing Director & CEO

### YES BANK IS ONE AMONG THE FOUR PILOT BANKS THAT HAVE BEEN CHOSEN FOR THE LAUNCH OF DIGITAL RUPEE (₹) – THE CENTRAL BANK DIGITAL CURRENCY (CBDC)



our API-enabled ecosystem and that enabled our integration and collaboration with National e-Governance Services to issue the first electronic bank guarantee (e-BG).

We partnered with the Government of India to develop logistic use cases on Unified Logistics Interface Platform (ULIP). Besides, we also launched a dedicated Digital Banking Unit in the town of Naharlagun in Itanagar district, Arunachal Pradesh, to bring digital services to our customers. YES BANK also featured amongst the first set of four pilot Banks that were chosen by the RBI for the launch of Digital Rupee (₹) – the Central Bank Digital Currency (CBDC), launched by the RBI. Our digital and transaction banking capabilities were recognised at multiple platforms and the Bank was presented with several accolades and honours.

#### Strengthening human capital

To foster a culture of diversity, equity and inclusion, YES BANK'S 'EVE'olution initiative focussed on upskilling and developing its women executives. In line with its responsible banking objectives and to ensure that employees

have a say in making YES BANK a trusted and successful institution, the Bank undertook the second edition of the 'Voice of YES Employee Survey' during FY 2022–23.

Further, to build a steady stream of high-quality talent, the Bank has implemented innovative 'train and hire' programmes in FY 2022–23, including the YES Professional Banker, the YES Force and the YES Graduate programmes. The Bank continues to invest in hiring top-end, young talent from premier educational institutions through its flagship YES Professional Entrepreneurship Programme.

I am humbled to share with you that YES BANK was certified as one among the Top 50 Great Place To Work (2023) in the BFSI category.

Having said that, we recognise attrition as a risk to successful execution of the Bank's strategy. As a responsible organisation, we are taking all the necessary steps to ensure that this issue is contained, not only in the near short term, but we will also evolve into an organisation who operates with a difference and our employees continue to be our core strength even in times to come.

#### Towards sustainable performance

The Bank has over the years taken a proactive approach towards instilling within its culture, a strong ethos of sustainability. This has enabled the organisation to stay highly responsive to the emerging expectations, regulations and opportunities presented by an ESG-driven business landscape. This year, the Bank continued to define targets and demonstrate progress towards enhancing its ESG performance.

As an environmentally accountable institution, the Bank continued its measures to strengthen environmental performance, and has expanded the scope of its ISO 14001:2015 certified Environmental Management System to cover its 833 facilities across the country. In line with its net zero by 2030 target, the Bank also reduced its operational carbon emissions by an estimated 13.6% over the previous year and enhanced the share of renewables in its energy mix. On the portfolio front, we undertook voluntary targets to decarbonise our electricity generation sector portfolio and achieved a 35% reduction in its financed emission intensity from the previous year.



## REFRESHED BRAND IDENTITY: YES BANK OF TODAY – POISED TO SOAR HIGHER



The Bank enhanced its gender diversity to 21% in line with its target to achieve a gender diversity ratio of 25% by FY 2024-25. With an aim to enhance its positive impact amongst vulnerable communities, community development programmes by YES Foundation have impacted over 35,000 youth and are on track to catalyse employment and entrepreneurship opportunities for over 1 lakh youth by 2026.

YES BANK continues to be recognised for its benchmark ESG disclosures. In FY 2022-23, the Bank achieved the highest ESG score of 68 out of 100, amongst Indian banks, in the S&P Global Corporate Sustainability Assessment 2022. The Bank was also rated 'A-' (Leadership Band) by CDP, making it the highest rated Indian Bank for climate disclosures.

### A franchise poised to create superior stakeholder value

We believe that our franchise, both in terms of book size as well as customer base, is at an inflection point to unlock the profitability potential with corporate growth engine also beginning to improve. The Bank will focus on strategic levers to further accelerate

this expansion in profitability. Enhanced focus on growing current account balances and granularity in savings account balances will further help in reducing Bank's cost of funds. Alongside this, a calibrated mix change and resultant yield enhancement will improve the NIMs. The Bank is also taking active steps towards addressing the RIDF/PSL drag through a combination of organic and inorganic means. Moreover, stronger fee growth through cross-sell on an expanded customer base and higher transaction banking volumes would further augment the revenues. I believe that through the operating leverage and productivity improvement via digitisation, the Bank will be able to gradually reduce its operating costs through the years which will help in delivering a better operating performance.

### In Conclusion

There is excitement about our journey ahead as we strategise to deliver on our simple aim – to make YES BANK the best bank for its customers, with also the fundamental building blocks to make it a great place to work for its people, and a focussed bank that India can be proud of.

I would like to express my personal gratitude to the Reserve Bank of India, our Chairman and the Board for guiding us, and for bringing a clear sense of purpose and direction for the Bank, and a positive change. I am also a great believer in creating long-term shareholder value.

With YES BANK firmly focussed on its customers and all other stakeholders, there is still a lot of work to do. As we work towards creating better value for our customers and other stakeholders, we look forward to your continued support and valuable association.

While this has been an enjoyable and one of the most exciting periods of our journey so far, we are excited about the journey ahead and are looking forward to even more exciting times.

Sincerely,

**Prashant Kumar**

Managing Director & CEO

## Message from Executive Director



FY23 stands as a pivotal year in YES BANK's history, representing a remarkable milestone in our journey of transformation. Over the past three years, we have made significant strides in achieving our strategic objectives. Our focus has been on strengthening governance and compliance standards, fortifying our balance sheet through meticulous attention to detail, building up a strong liability franchise and expanding the customer base. Moreover, we have made significant investments in expanding our distribution network, added over 3,000 employees, and stepped-up investments in technology during FY23. Our Retail franchise has now reached a critical scale and is at an inflection point to unlock its profitability potential.

## AS THE YES BANK OF TODAY, WE ARE RESOLUTE IN BUILDING UPON OUR STRENGTHS AND DRIVING PERFORMANCE TO NEWER HEIGHTS



Having ticked all the right boxes, we realised that now was the time to reflect upon the transformed YES BANK of today. With this confidence, we took a critical step towards refreshing our brand identity. The all new identity represents our organisational ethos of delivering a banking experience that is seamless, intuitive, and effortless. As part of our refreshed identity, we have unveiled a vibrant new logo which carries forward the visual DNA of the Bank and builds on it. You would see that the tick has been transformed into a soaring bird, which represents our aspiration to soar even higher. The smoothened-out fonts, a vibrant colour palette and a visual flourish reflect the modern, agile and digitally forward Bank that we are.

As the YES BANK of today, we are resolute in building upon our strengths and driving performance to newer heights. We hope to achieve this through our unflinching focus on expanding branch footprint, launching pioneering products, enhancing our digital capabilities, and keeping customer convenience at the centre of everything that we do.

The Bank has over the years taken a proactive approach towards instilling within its culture, a strong ethos of sustainability. This has enabled the organisation to stay highly responsive to the emerging expectations, regulations and opportunities presented by an ESG-driven business landscape. To ensure that the Bank adheres to the highest environmental performance standards:

- YES BANK has instituted a robust Environmental Management System (EMS) through which it responsibly monitors resource consumption
- In FY 2022-23, the Bank's EMS was certified ISO 14001:2015 compliant for the 10<sup>th</sup> year in a row with a total of 833 ISO certified facilities – the highest within the BFSI sector, globally
- The Bank has established an Environment and Social Risk Management System (ESMS) to identify prudent lending opportunities for climate-aligned sectors such as Renewable Energy and Electric Vehicles

- The Bank also promotes renewable energy adoption amongst SMEs through its YES Kiran loan which is an attractive financing scheme aimed at enabling SME manufacturers to set up solar panels and save on electricity overheads
- Moreover, the Bank has stopped printing as well as deploying of banners, standees and danglers at its branches, and has replaced them with digital screens

Going forward, we continue to define targets and demonstrate progress towards enhancing our ESG performance.

FY23 serves as a testament to YES BANK's commitment to transformation and progress, and paves the way for the Bank to be recognised as a brand that walks the extra mile to offer comprehensive solutions to the evolving needs of all its stakeholders and customers.

**Rajan Pental**

Executive Director

# Board of Directors



**Mr. Rama Subramaniam Gandhi**  
*Part time Chairman,  
Independent Director*



**Mr. Prashant Kumar**  
*Managing Director & CEO*



**Mr. Rajan Pental**  
*Executive Director*



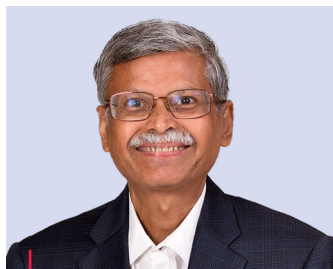
**Mr. Atul Malik**  
*Independent Director*



**Mr. Sanjay Kumar Khemani**  
*Independent Director*



**Mr. Sharad Sharma**  
*Independent Director*



**Mr. Sadashiv Srinivas Rao**  
*Independent Director*



**Ms. Nandita Gurjar**  
*Independent Director*



**Ms. Rekha Murthy**  
*Independent Director*



**Mr. Thekepat Keshav Kumar**  
*Nominee of State Bank of India*



**Mr. Sandeep Tewari**  
*Nominee of State Bank of India*



**Mr. Sunil Kaul**  
*Nominee of CA Basque  
Investments*



**Ms. Shweta Jalan**  
*Nominee of Verventa  
Holdings Limited*

**Notes :**

Detailed profiles of all Directors are given in the Corporate Governance Report.

# Board Committees

## Audit Committee

**Mr. Sanjay Kumar Khemani**  
Chairman

**Mr. Sandeep Tewari**  
Member

**Mr. Atul Malik**  
Member

**Ms. Rekha Murthy**  
Member

**Mr. Sharad Sharma**  
Member

## Nomination & Remuneration Committee

**Ms. Nandita Gurjar**  
Chairperson

**Mr. Atul Malik**  
Member

**Mr. Sandeep Tewari**  
Member

**Ms. Rekha Murthy**  
Member

**Mr. Rama Subramaniam Gandhi**  
Member

**Ms. Shweta Jalan**  
Member

## Customer Service Committee

**Ms. Nandita Gurjar**  
Chairperson

**Mr. Thekepat Keshav Kumar**  
Member

**Mr. Sharad Sharma**  
Member

**Mr. Sunil Kaul**  
Member

**Mr. Rajan Pentel**  
Member

## Risk Management Committee

**Mr. Sharad Sharma**  
Chairman

**Mr. Sadashiv Srinivas Rao**  
Member

**Mr. Rama Subramaniam Gandhi**  
Member

**Mr. Thekepat Keshav Kumar**  
Member

**Mr. Atul Malik**  
Member

**Mr. Sunil Kaul**  
Member

## Stakeholders Relationship Committee

**Mr. Sadashiv Srinivas Rao**  
Chairman

**Mr. Thekepat Keshav Kumar**  
Member

**Ms. Nandita Gurjar**  
Member

**Mr. Sunil Kaul**  
Member

**Mr. Rajan Pentel**  
Member

**Fraud, Wilful Defaulters and Non-Cooperative Borrowers Monitoring Committee****Mr. Prashant Kumar**

Chairman

**Mr. Sanjay Kumar Khemani**

Member

**Mr. Sandeep Tewari**

Member

**Mr. Sharad Sharma**

Member

**Ms. Shweta Jalan**

Member

**IT Strategy Committee****Ms. Rekha Murthy**

Chairperson

**Mr. Sanjay Kumar Khemani**

Member

**Mr. Rama Subramaniam Gandhi**

Member

**Mr. Rajan Pental**

Member

**Mr. Prashant Kumar**

Member

**Board Credit Committee****Mr. Atul Malik**

Chairman

**Mr. Thekepat Keshav Kumar**

Member

**Mr. Sadashiv Srinivas Rao**

Member

**Mr. Prashant Kumar**

Member

**Corporate Social Responsibility and Environmental, Social & Governance Committee****Ms. Rekha Murthy**

Chairperson

**Mr. Sadashiv Srinivas Rao**

Member

**Ms. Nandita Gurjar**

Member

**Ms. Shweta Jalan**

Member

**Mr. Rajan Pental**

Member

**Capital Raising Committee****Mr. Rama Subramaniam Gandhi**

Chairman

**Mr. Sanjay Kumar Khemani**

Member

**Mr. Sandeep Tewari**

Member

**Mr. Sunil Kaul**

Member

**Ms. Shweta Jalan**

Member

**Mr. Prashant Kumar**

Member



# Management Team



**Prashant Kumar**  
*Managing Director & CEO*



**Rajan Pental**  
*Executive Director*



**Ravi Thota**  
*Country Head Large Corporates*



**Arun Agrawal**  
*Country Head Institutional and Government Banking*



**Gaurav Goel**  
*Country Head Emerging Local Corporates*



**Ajay Rajan**  
*Country Head Transaction Banking*



**Amit Sureka**  
*Country Head Financial Markets*



**Dheeraj Sanghi**  
*Country Head Branch Banking*



**Akshay Sapru**  
*Country Head Affluent and Private Banking and Liabilities Products*



**Sanjiv Kumar Roy**  
*Country Head Fee Based Products and Service Experience*



**Lavesh K Sardana**  
*Country Head Retail Assets and Debt Management*



**Dhavan Shah**  
*Country Head SME Banking*



**Anil Kumar Singh**  
*Country Head Credit Cards and Merchant Acquiring*



**Harsh Gupta**  
*Country Head - Stressed Asset Management*



**Niranjan Banodkar**  
Chief Financial Officer



**Archana Shiroom**  
Chief Human Resources Officer



**Sumit Gupta**  
Chief Risk Officer



**Rakesh Arya**  
Chief Credit Risk Officer



**Kapil Juneja**  
Chief Internal Auditor



**Mahesh Ramamoorthy**  
Chief Information Officer



**Sachin Raut**  
Chief Operating Officer



**Nipun Kaushal**  
Chief Marketing Officer and  
Head CSR



**Indranil Pan**  
Chief Economist



**Sandeep Manohar Mehra**  
Chief Vigilance Officer



**Ashish Chandak**  
Chief Compliance Officer



**Shivanand Shettigar**  
Company Secretary

# Key Performance Indicators

## Operating Profit (₹ in crore)

**3,183**


## Deposits (₹ in crore)

**2,17,502**


## Advances (₹ in crore)

**2,03,269**

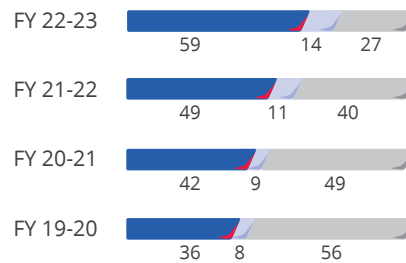

## Total Assets (₹ in crore)

**3,54,786**


## CASA Ratio (%)

**30.8**


## Advances Mix (%)



■ Retail & SME 
 ■ Mid Corp 
 ■ Large Corp

## Gross NPA (%)

**2.2**


## Net NPA + Net Carrying Value of SRs (%)

**2.4**


**Net Interest Margin** (%)**2.6**

FY 22-23		2.6
FY 21-22		2.3
FY 20-21		2.8
FY 19-20		2.2

**Cost of Deposits** (%)**5.2**

FY 22-23		5.2
FY 21-22		5.0
FY 20-21		6.0
FY 19-20		6.5

**Liquidity Coverage Ratio\*** (%)**125.3**

FY 22-23		125.3
FY 21-22		126.8
FY 20-21		122.6
FY 19-20		37.0

**Credit-Deposit Ratio** (%)**92.0**

FY 22-23		92.0 <sup>#</sup>
FY 21-22		91.8
FY 20-21		102.4
FY 19-20		162.7

**Capital Adequacy Ratio** (%)**17.9**

FY 22-23		17.9
FY 21-22		17.4
FY 20-21		17.5
FY 19-20		8.5

**CET1 Ratio** (%)**13.3**

FY 22-23		13.3
FY 21-22		11.6
FY 20-21		11.2
FY 19-20		6.3

**Return on Equity** (%)**2.0**

FY 22-23		2.0
FY 21-22		3.2
FY 20-21		(11.4)
FY 19-20		(81.8)

**Return on Assets** (%)**0.2**

FY 22-23		0.2
FY 21-22		0.4
FY 20-21		(1.3)
FY 19-20		(5.1)

\* Standalone figures as at March 31 of respective Financial Year

<sup>#</sup> Excluding Interbank Reverse Repo classified as Advances as per RBI Master Circular No. DOR.ACC.REC.NO.37/21.04.018/2022-23

# Our Diversified Product Suite



## Retail Banking

Under Retail Banking, YES BANK offers deposits and retail asset products, and personalised banking solutions.

**45%**

Share of Retail Advances as at March 31, 2023  
(Vs 24% in FY 2019-20)

**59%**

Share of CASA and Retail Term Deposits in Total Deposits as at March 31, 2023

**32%**

Growth in Liability Book of Branch Banking of YES BANK in FY 2022-23



## Branch Banking

YES BANK offers a comprehensive suite of asset and liability products to its customers. The Retail Branch Banking continues to maintain a strategic focus on mass affluent customers and SMEs in metro cities and urban markets.

**39%**

Y-O-Y growth in Customer Acquisition

**38%**

Y-O-Y Growth in Term Deposits

### Scale

- Expanded geographical footprint to **1,192** branches and **150** Business Correspondent Banking Outlets across 700+ locations, with **1,301** ATMs
- Added 83 branches in FY 2022-23 to bolster presence

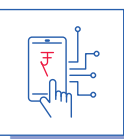
### Products and Services

- Current Account
- Savings Account
- Trade & Forex business

### New Initiatives

- Stepped up adoption of AI-based **YES Robot** to provide customers with retail liability and asset-based solutions as an employee assisted advisory tool
- YES Robot** will also facilitate seamless increase in asset acquisition and cross-sell income
- Cluster banking approach to be followed to deploy incremental resources and branches, by expanding and densifying physical distribution in top 20 clusters for retail deposits and assets growth, while digital distribution as a share of total distribution will grow in parallel

(For more information on the above, read the MD&A section on page 155)



## Digital Banking

YES BANK has made significant investments in new-age and digital technologies to achieve increased customer engagement and experience. It caters to simple transactional needs of customers for domestic money transfers and Aadhaar-based cash withdrawals.

### Scale

YES BANK processes nearly every 3<sup>rd</sup> digital transaction in the country which hovers over 10-12 billion on a monthly basis.

### Products and Services

YES BANK's Digital Products and their market share:

UPI	AEPS	NEFT	IMPS	NACH
<b>38.3%</b>	<b>22.8%</b>	<b>17.7%</b>	<b>11.2%</b>	<b>6.3%</b>

### New Initiatives

- Implemented cloud-native UPI, IMPS processors and alternate AEPS processors to build resilience and grow digital volumes
- Launched solutions around new payment aggregator and payment gateway guidelines (PAPG Guidelines) to participate in aggregation services



## Debit Cards

YES BANK has a full suite of Debit Card products across three networks (Mastercard, Visa and RuPay), designed to fit varied and specific needs of customers. The Cards offer unique benefits, including reward points on spending, NFC-enabled contactless payments, complimentary lounge access at domestic airports.

**12.1 lakh**

New Debit Cards issued in FY 2022-23

### Scale

During FY 2022-23, the Bank increased its Debit Card base to **44.2 lakh**.

### E-Series Debit Cards

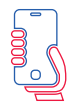
- Element
- Elevate
- Enhance
- Engage
- Emerge
- Explore
- Eclectic

### Products and Services

Debit Cards are categorised across flagship customer segments such as YES Private, YES First, YES Premia and YES Prosperity. There are seven E-series Debit Cards to cater to varied customer segments.

### New Initiatives

Launched YES Private Debit Card in association with Mastercard for the Bank's ultra high net-worth individuals (UHNI) customers, the first in Asia Pacific to be launched on Mastercard World Elite platform.



## Spectrum Banking

Spectrum Banking is the new-age channel managing the entire customer life cycle including acquisition, onboarding, relationship management, customer value management, activation, retention and service. The segment remotely manages relationships of YES First, YES First Business, YES Premia, YES Prosperity, Corporate Salary Account and Global Indian Banking (GIB) customers.

### Scale

The channel manages relationships across a base of **10 lakh Liability Customers** virtually, and is one of the fastest growing channels for the Bank.

### Products and Services

Products include liabilities, retail assets, business banking, credit cards, merchants and third-party products virtually through the spectrum of voice, chat and email.

### New Initiatives

- Deepening Credit Card customer relationships by offering term products such as EMIs and unsecured loans
- Increasing customer stickiness by offering card upgrades, limit enhancements and card protection plan

*(For more information on the above, read the MD&A section on page 157)*

## Our Diversified Product Suite



### YES Private

YES Private is the Bank's full-stack banking solutions programme curated especially for **UHNI customers**. The programme is designed to offer a full suite of banking and enterprise solutions for the UHNI clients' business, wealth management, succession planning and lifestyle needs through a team of relationship and product specialists.

**₹ 3,400 crore**

Book size of YES Private programme

#### Scale

1,500 customers under the YES Private programme by the end of FY 2022-23.

#### Products and Services

YES Private is a **'by-invite only'** programme for clients who maintain average liabilities balances of ₹ 3 crore or a total relationship value of ₹ 5 crore at a family level.

#### New Initiatives

YES Private launched Asia-Pacific's first World Elite Debit Card on Mastercard platform.



### YES First and YES First Business

YES First and YES First Business are the flagship wealth management and business banking programmes curated for high net-worth individuals (HNIs) for their personal and business banking needs.

#### Products and Services

The Bank offers curated product offerings, services and relationship pricing on banking products, coupled with a host of lifestyle benefits, wealth management and exquisite service solutions.

#### New Initiatives

- Launched **YES FIRST Direct**, a one-stop virtual branch, to empower customers to carry out financial and non-financial transactions with ease from the comfort of their homes or offices
- Conducted curated events on wealth planning, investments and an insightful coverage on key markets



### YES Premia

YES Premia offers customised premium banking solutions to the mass affluent segment to make banking seamless and enjoyable and complement lifestyles and expectations of different customer segments.

**Enhanced YES Premia for Business proposition catering to Current Account customers with exclusive offerings for select segments**

#### Products and Services

YES Premia provides a **'Truly Yours'** proposition, offering a wide range of targeted products, services, benefits and partnerships.

**YES Premia for NRIs caters to Non-Residential Indians with customised benefits**

#### Four Pillars of YES Premia

- Priority servicing
- Products and Preferential pricing
- Privileges
- Powerful digital banking platforms and solutions

#### New Initiatives

- YES Premia for Business was revamped to address the dynamic business requirements of Current Account customers like merchants, export/import traders, professionals and women entrepreneurs
- YES Premia for NRIs has been tailored to offer a multitude of banking and lifestyle benefits



## YES Prosperity

YES Prosperity is the Bank's mass retail programme, offering services for customers' individual banking needs.

### Products and Services

- YES Prosperity offers a feature-packed exclusive segmented savings account proposition for senior citizens, women and regular customers of the Bank
- For business clients, it offers current account variants - **Edge Business, Prime Business and Exclusive Business**, a first-of-its-kind three-tier product suite with an auto-upgrade and auto-downgrade facility



## YES Family

YES Family is designed to offer a wide range of services and rewards to meet the family's financial needs. With a host of unique benefits and offerings, the product has been carefully curated to make banking more unified for the family.

### Products and Services

YES Family empowers customers to effectively manage the financial well-being of the entire family and provides substantial value across YES BANK programmes like YES Prosperity, YES Premia, and YES First.

**New YES Family proposition provides family banking benefits to YES Premia current account and YES Premia NRI customers**



## Global Indian Banking

Global Indian Banking (GIB) programme is a power-packed customised offering providing **multiple avenues for non-resident Indians (NRIs)** to create and manage wealth across product categories through in-person and digital fulfilment models. This comprehensive product is complemented by a multi-channel servicing capability and benefits that extend beyond banking.

**1.5%**

Market share in NRI Liabilities

### Scale

The GIB programme caters to a broad spectrum of NRIs from multiple geographies with a significant contribution to the Bank's liabilities book.

### Products and Services

- Offers comprehensive and superior experiential banking services for NRIs and Persons of Indian Origin (PIOs)
- Provides financial solutions to NRIs, including deposits, remittances and wealth management products
- Liability product suite comprises savings, fixed and recurring deposit offerings denominated in ₹, and foreign currency (FCY) denominated fixed deposits in eight global currencies

### New Initiatives

- Accelerated digital interface to enable digital customer onboarding, Re-KYC via digital platform, RM assisted deposit booking and customer servicing
- Introduced a curated product offering for NRIs and foreign nationals

*(For more information on the above, read the MD&A section on page 160)*



## Our Diversified Product Suite



### Retail Banking Assets

Retail Banking Assets serves the retail consumer and commercial business groups through Mortgage, Unsecured Loans, and other consumer and commercial loan products. The product is offered in 1,004 Branches across 579 locations where Retail Products are offered across India.

#### Products and Services

The segment offers retail loan products such as home loan, affordable home loan, car loan, commercial vehicle loan, construction equipment loan, loan against securities, gold loan, and personal loan, among others, under a single roof.

#### New Initiatives

- Enhanced digital lending capabilities with the 'Loan in Seconds' platform and front-end automation initiatives
- Invested in Salesforce to build next-generation cloud-based loan origination system
- Building analytics-based collection scorecards to augment field force performance and enhance collection cost efficiencies

## 38.6%

Y-O-Y Growth in Total Retail Advances in FY 2022-23 (Vs 30.6% in FY 2021-22)

## ₹ 48,000 crore

Total Sanctions and Disbursements in FY 2022-23



### Rural Banking Assets

Through its **Kisan Credit Cards**, the segment addresses the financial requirements of Indian farmers for crop production and ancillary activities. It caters to farmers in 11 states.

#### Products and Services

- Offers variants under crop loan product to cater to specific needs of farmers across specialised agri-clusters
- Takes care of farm mechanisation needs of progressive farmers by financing purchase of tractors as the primary asset class
- Finances small business entities, self-employed professionals and entrepreneurs in rural areas

## 45,000

Active Farmer Borrower Base as at March 31, 2023

#### New Initiatives

- Launched new products to cater to agri-allied activities and farm mechanisation advances
- Expanded the geography of our operations



### Agri-business Product Management

The segment offers **customised lending propositions** for agri value chain participants – farmers, SMEs and corporates. It has a granular portfolio against the pledge of agri-commodities, while ensuring adequate risk mitigation. This end-to-end process is carried out on digital platforms for faster customer service and superior experience.

#### Products and Services

- Agri Value Chain Financing
- Agri Commodity Pledge Financing

#### New Initiatives

- Launched a new product offering for agri-enterprises
- Launched the Commodity Finance Customer Interface to initiate disbursement, repayment, interest payment and margin regularisation

## ₹ 1,850 crore

Commodity Pledge Finance Portfolio in FY 2022-23 with nil delinquencies



## Inclusive and Social Banking Assets

The Bank focusses on frugal, inclusive, catalytic innovations and key partnerships to create and promote viable business models, while providing **'access to finance' to bottom-of-the-pyramid customers**. It has aligned Inclusive and Social Banking (ISB) and Microfinance Institutions Group (MFIG) businesses with rural branches and broadened the distribution channel through Business Correspondent (BC) branches and BC Banking Outlets (BCBOs).

**7.6 lakh**

Active Women Customer Base in YES LEAP

**₹ 14,600 crore**

Cumulative Disbursement in YES LEAP

### Products and Services

- The Bank's 150 BC Banking Outlets (BCBOs) provide Asset and Liability solutions to **over 32,000 customers** in the rural segment
- On the wholesale side, it extends Term Loans to Micro Finance Institutions (MFIs) for on-lending, provides cash management services and caters to other banking and transactional requirements
- On the retail side, through its flagship group lending programme **'YES Livelihood Enhancement Action Programme (YES LEAP)'**, it provides financial services to women microfinance borrowers

### New Initiatives

- Offers optional insurance products including a customised loan cover life insurance product
- Offers tailored hospital cash product for rural and semi urban segments to help them reduce out-of-pocket hospitalisation expenses



## Credit Cards

YES BANK Credit Cards focus on offering incremental customer engagement backed by strong alliances and partnerships, resulting in higher card spending, activation rates and a growing wallet size.

**14.2 lakh**

Credit Card Holders with YES BANK

### Scale

With 14.2 lakh credit card-holders, the business continues to scale upwards with 63% Y-O-Y growth and 66% Y-O-Y growth in the outstanding book and spends, respectively.

**3,000**

Build Your Own Cards issued every month

### Products and Services

- Credit Cards consist of 18 products across consumers, small and medium-sized enterprise (SME) and commercial cards
- Currently, online transactions contribute more than 60% of the Bank's credit card spends

### New Initiatives

- Launched a **'Build Your Own Card' (BYOC) Credit Card** to give customers the choice of card plastic material, image, perks and offers, among other features. Since launch, the Bank has issued more than 3,000 BYOC Credit Cards every month
- Introduced digital co-origination journey with a Savings Account bundled with Credit Card

**81%**

Share of new card issuances processed digitally (as at March 2023)

(For more information on the above, read the MD&A section on page 164)

## Our Diversified Product Suite



### Merchant Acquiring Services

YES BANK's Merchant Acquiring Services focusses on acquiring through Product Sales Officers and managing merchant relationships via dedicated Relationship Officers in the field, or Virtual Relationship Officers remotely.

#### Scale

With 2.9 lakh Payment Acceptance Devices and 1.5 lakh Merchant Outlets being catered to by the Bank, the business continues to scale upwards. About 1.6 lakh Payment Acceptance Devices and 84,000 Merchants Outlets were added in FY 2022-23.

#### Products and Services

Offers state-of-the-art Android-based point of sale (POS) devices, SoftPOS solution, best-in-class solutions for BQR/UPI payments like BQR Standee and BQR Soundbox, and an array of value-added services like same-day and holiday settlements, SMS Pay, EMI, and dynamic currency conversions (DCC), among others.

#### New Initiatives

- Launched **YES Soundbox**: now your payment speaks
- Launched **SoftPOS**, a new mode of payment where a mobile device gets converted into a payment device
- Launched **YES PAY EASY** as a pilot project

**1.5 lakh**

No. of Merchant Outlets with YES BANK Merchant Acquiring Services

**2.9 lakh**

No. of Payment Acceptance Devices across locations

**1.6 lakh**

No. of new Payment Acceptance Devices added in FY 2022-23



### SME Banking

YES BANK's Small & Micro Enterprises (SME) Banking business caters to all the financial requirements of the SME ecosystem with solutions for trade, forex, cross-selling of CASA, and financing individual/commercial asset requirements in its over 700 branches. Customised solutions, dedicated relationship team, knowledge-banking experts and an extensive network deliver unmatched one-stop service to SMEs and help them address their end-to-end requirements.

#### Products and Services

- Trade
- Forex
- Cross-selling of CASA
- Financing individual
- Commercial asset requirements

#### Products aimed at Green Financing:

- Loans for adoption of rooftop solar amongst SMEs
- Bank guarantee and commercial vehicle financing for urban waste collectors and processors
- Financing equipment manufacturers of Effluent Treatment Plant/Sewage Treatment Plants
- Supporting Electric Vehicle ecosystem by financing auto ancillaries/charging infrastructure players

#### New Initiatives

- Curated a digital lending platform especially for SMEs to sanction loans by data triangulation effected with borrower's consent
- Provides single interface for all transactional banking needs of SMEs
- Implemented E-Sign and E-Stamp facilities to support digital execution of loan agreements and provides a seamless customer experience

## Corporates



### Large Corporates

YES BANK's Large Corporates business division provides comprehensive financial and risk management solutions to large corporate clients and continuously improves its service level, risk management and product portfolio.

#### Products and Services

The Bank offers comprehensive client-focussed services encompassing:

- Working capital finance
- Capex loans
- Project finance
- Transaction banking products
- Trade finance
- Cash management services
- Debt capital markets
- Treasury services (Foreign exchange risk management)
- Investment banking (M&A advisory and Fund raising)
- Foreign currency loans including ECBs
- Overseas financing (via IBU in GIFT City)
- Liquidity management solutions

#### Scale

Expanded workforce with a team of 193 Relationship Bankers spread across 10 locations servicing 950+ Corporates and 23 Product Specialists.

#### New Initiatives

Launched first ever Concessionaire-based Toll Plazas for NETC FASTag based acquiring services.



### Institutional and Government Banking

The Institutional and Government Banking Group provides comprehensive client-focussed services to government entities, financial institutions and multinational companies.

The team is divided into seven key segments:

- Government Banking
- Multinational Corporate Banking
- Indian Financial Institutions Banking
- International Banking
- Corporate & Government Advisory
- Food & Agribusiness Strategic Advisory and Research
- International Banking Unit

#### Products and Services

The Bank offers liquidity management solutions, treasury risk management solutions, transaction banking products, trade finance and cash management services, supply chain finance, working capital finance and term loans.

### USD 976 Million

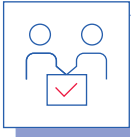
Customer Advances and Investments at IBU  
(as at March 31, 2023)

#### New Initiatives

Leveraging new banking opportunities through focussed sector-oriented approaches, such as Smart Cities and urban infrastructure

## Our Diversified Product Suite

### Mid-Corporate



#### Fintech Partnerships

By collaborating with select Fintech Partners, the Bank is building a sustained and scalable low-cost acquisition model. Selecting a Fintech Partner is a well-thought-out strategy with a segmental-based focus to ensure differentiated product offerings and value-creating propositions.

##### Products and Services

The Bank engages with multiple fintech partners to enable the acquisition of incremental new-to-bank (NTB) customers across liabilities, assets and

credit cards. It leverages unique propositions with the Fintech Partner's superior UI/UX and a robust application programming interface (API)-based technology stack.



#### Mid Corporates

The Mid Corporates segment serves local corporates (with ₹ 100-1,500 crore turnover) by understanding their banking needs and delivering customised banking solutions to them.

**60%** of Unicorns and **1,000+** Top Start-ups in India are served by YES BANK's Mid Corporates segment

##### Scale

The Emerging Local Corporates segment is currently present in around 37 locations, and is working on adding 10 new locations in FY 2023-24.

##### Products and Services

The Mid Corporates segment offers a customised suite of financial products including Term Loans, Funded & Non-Funded Working Capital Facilities, Cash Management Solutions, API Banking, Digital Banking and Trade & Treasury Products by leveraging cutting-edge technologies.

Mid Corporates unique and industry-first solutions for start-ups:

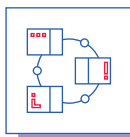
- API Banking
- Prepaid Instruments
- FASTag
- Payment Escrow
- Digital Wallets
- Gift City Solutions
- Forex Deposits

##### New Initiatives

Building a portfolio with a stringent focus on Cross-Sell through synergies with Transaction Banking, Digital Banking, YES Securities, FASAR\* Treasury and Branch Banking.

FASAR\* Food and Agri Business Strategic Advisory and Research

## Others



### Transaction Banking Group (TBG)

Transaction Banking Group (TBG) is a specialised product group providing trade finance, cash management and custodial services, supply chain financing, and bullion and remittance services to corporates, governments and financial institutions.

#### Scale

Product Coverage across 10,000+ Corporates and 35,000+ Retail/SME Clients

#### 450+ API-related services under API Banking (Since its introduction in September 2015)

**95%** of Corporate CASA is embedded with Transaction Banking Product & Solutions

**82% CA, 97% CMS** Thruput, Trade FB\*, 88% Trade NFB\*\* & 96% EXIM flows across Corporates has 2+ TBG Product Embedment

**70%** of all Lending Clients have 2+ TBG Product Embedment

**37%** CA Book, 48% Non Fund Book & 38% EXIM flows has seen Increase in Corporate Transaction Banking Product Penetration

**98%** of our Cash Management thrupt comes from Digital modes

**90%** of our Corporate CASA clients is covered by dedicated Service Team, with query resolution at 93% First Time Right with 92% TAT adherence

#### Products and Services

- Cash management services for managing receivables and payables
- Customised and innovative digital solutions, including market-leading API banking solutions
- Digital solutions for correspondent banking and NBFCs
- Specialised products and solutions for government entities, including Central and State bodies

The segment offers innovative digital solutions by designing, developing and co-creating products with corporate clients, fintech/technology partners, banks and exchange houses. TBG's supply chain unit works with strategic corporate clients to harness supply chain linkages and provide critical liquidity solutions to SME partners. These solutions are provided by leveraging cutting-edge technology, including artificial intelligence (AI), blockchain and API banking.

#### New Initiatives

- TBG - Corporate Client Management (CCM) unit is now **ISO 9001: 2015 Certified**
- Digital Trade Digitisation on our **Smart Trade Platform (Digital)** witnessed 20% Y-O-Y growth
- The newly-launched Revamped Net Banking Portal for Corporates witnessed a monthly run rate growth of 5% Y-O-Y

(For more information on the above, read the MD&A section on page 171)

\*Corporate Trade Fund Book

\*\*Corporate Trade Non-Fund Book

## Our Diversified Product Suite



### Financial Markets

The segment offers comprehensive advisory services, macroeconomic research or debt capital market services to large corporates, SMEs, government, retail and institutional clients.

**YES BANK is one of the nine banks selected for CBDC-W pilot**

**DCM business ranked 8<sup>th</sup> in Prime Database league tables for FY 2022-23**

#### Products and Services

The segment offers proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.

#### New Initiatives

- Routed Capital Account and large value transactions for marquee names
- Executed the Bank's maiden funding transaction for an InvIT
- Enabled 24\*7 NEFT and RTGS for Individuals and Corporates to enhance customer base and increase CASA



# Our Integrated Approach

YES BANK strives to embed integrated thinking into its business, in order to ensure, that all aspects of its value creation process coalesce around its goal of achieving sustainable growth. As challenges such as climate change, environmental degradation, income and gender inequality redefine the paradigms of a 21<sup>st</sup> century economy, the Bank believes that true value creation must not be limited to financial capital, but encompass an organisation's aggregate impact on people, planet and profits. YES BANK thus aims to harmonise its actions, account for its impacts and report its performance across its financial, manufactured, intellectual, human, social and relationship, and natural capitals.

**The Bank works and interacts with several forms of capital to create value in the course of its business activities.**

## **C1** Financial Capital

The Bank continues to improve its financial performance through a fresh round of capital raise, granularisation of business and diversification of income streams, led by the retail and SME segments.

## **C2** Human Capital

YES BANKers are the brand ambassadors of the Bank and help sustain its competitive advantage with their diverse skillsets and competencies. Employees play a pivotal role in helping the Bank prosper in the face of evolving regulations, technology, and customer demand. They constantly strive to provide best-in-class services to customers and are committed to nurturing faith and trust for the institution amongst all stakeholders.

## **C3** Natural Capital

The Bank utilises and contributes to natural ecosystems. YES BANK is cognizant of its environmental impacts and responsibility towards climate action, and continually endeavours to conserve natural resources, reduce its carbon footprint and disclose its environmental performance.

## **C4** Manufactured Capital

The Bank continues to build a national footprint with presence across 28 States and three Union Territories of India, backed by a strong digital infrastructure.

## **C5** Social and Relationship Capital

YES BANK aims to create positive social impact by delivering superior customer experience, promoting sustainable supply chains, accelerating financial inclusion, and supporting vulnerable communities across India.

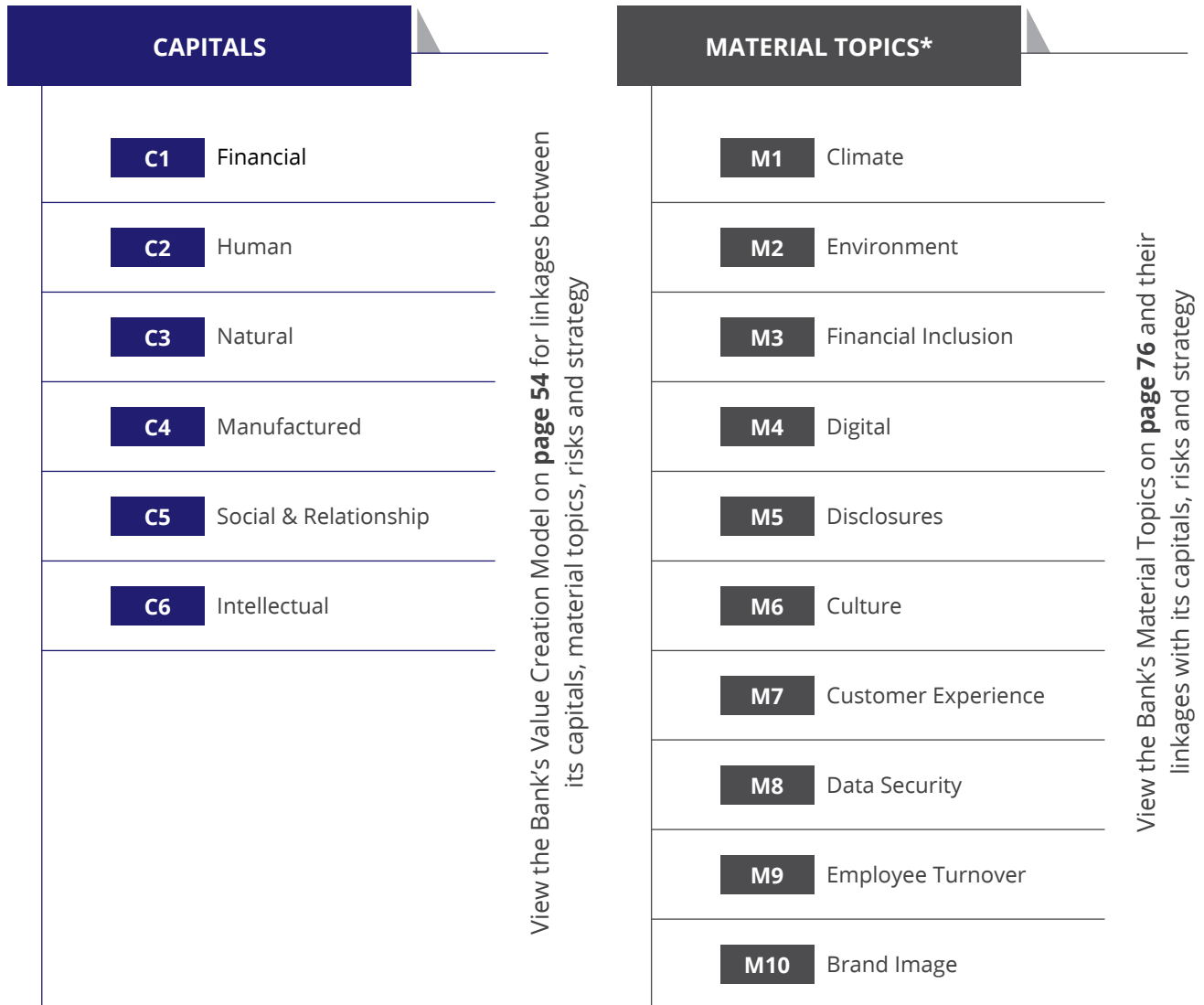
## **C6** Intellectual Capital

YES BANK harnesses its in-house pool of diverse skills, sector-specific expertise, knowledge banking, and industry leading digital infrastructure to build a dynamic franchise, capable of capitalising on new-age, emerging opportunities.

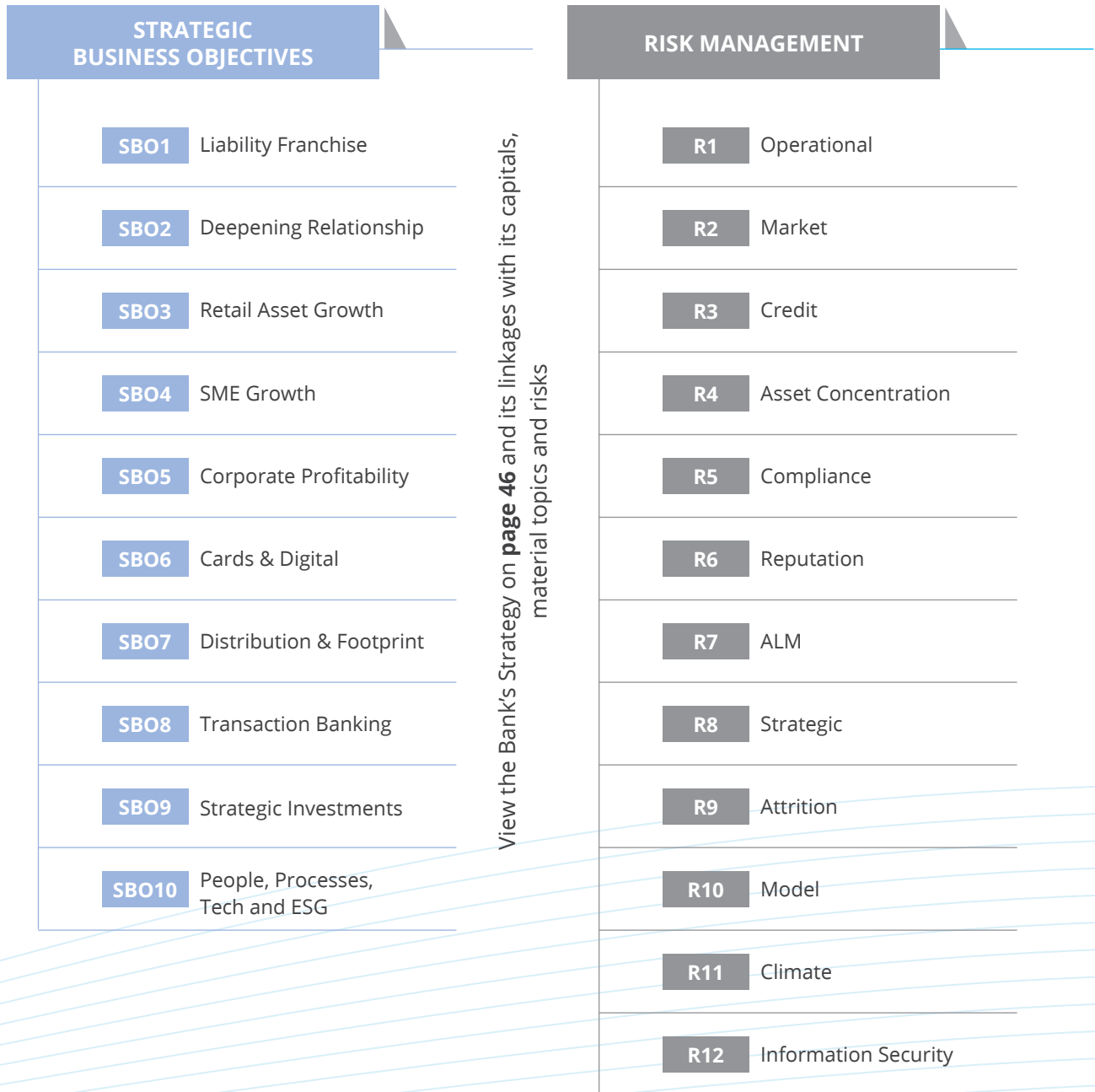


## Our Integrated Approach

This report captures the interactions between the Bank’s different capitals, delineates its strategies to address key material issues, and presents its performance in terms of value creation, preservation or erosion, across financial and non-financial parameters. To understand the Bank’s integrated approach and navigate this report, refer to the sections mentioned below:



\* Only mentions most significant Material Topics. For full list of Material Topics, see page 76



# Operating Environment

Key macro trends which influence the Bank's business and our response



## Global Uncertainties causing Growth Moderation, India Outperformance

The economic setting for FY 2022-23 was a difficult one. Even as the global economy was recovering from the aftershocks of the COVID-19 pandemic, the world witnessed a major geopolitical conflict in early 2022 which prolonged the economic recovery. The pandemic-induced output contraction was followed by supply chain disruptions, rise in commodity prices and a surge in inflation in most economies worldwide. Global central banks, led by the US Federal Reserve, responded with a synchronised policy rate action. The tightening of financial conditions across the world took its toll on the economic activity, while the financial markets remained volatile and usually sensitive to the incoming data.

The Indian economy, on the other hand, demonstrated continued resilience and thrived despite all odds. Our economy carefully navigated the twists and turns through prudent structural reforms, effective policy response, and governance initiatives, while also maintaining its energy security simultaneously. CY2022 marked the 75<sup>th</sup> year of independence for India, as the nation entered its 'Azadi ka Amritkaal'. Moreover, India emerged as a global power of influence as it assumed the Presidency of G20 nations in December 2022. As per the official government estimates, India's GDP is estimated to have clocked 7.2% growth in FY 2022-23 and continues to be one of the world's

fastest growing economies, and also the fastest growing Asian economy.

Akin to its global peers, the Indian economy also witnessed elevated levels of inflation during the year. Headline CPI inflation dropped to 6.2% in second half of FY 2022-23 from 7.2% in first half of FY 2022-23, averaging at 6.7% for the full year. While food prices exhibited volatility, core CPI remained sticky at higher levels through FY 2022-23, averaging at 6.2% in second half of FY 2022-23, from 6.4% in first half of FY 2022-23. Foreign exchange (FX) reserves were around USD 618 billion at the end of FY 2021-22. Despite a drawdown, these were at a healthy USD 578 billion (as at March 31, 2023). The second half of FY 2022-23 presented a better atmosphere for USD/₹ as it moved in a relatively narrow range of 81-83, with support coming from correction in USD in the global markets and a more comforting Current Account Deficit (CAD) scenario.

Continued spend on National Infrastructure Pipeline, increase in private capex, expansion of public digital infrastructure, path-breaking initiatives such as PM Gati Shakti Yojana, National Logistics Policy, and

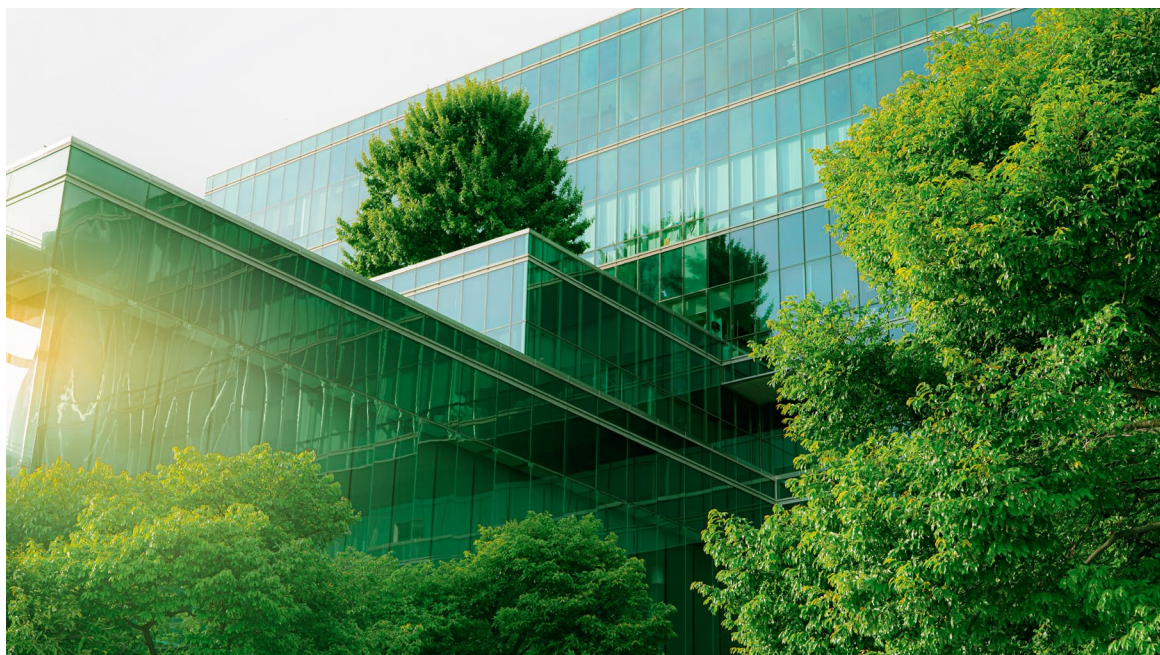
the Production-Linked Incentive schemes to boost manufacturing output, together with India emerging as a preferred, alternate supply chain destination, propelled strong growth as reflected across all the key economic indicators. Despite the global slowdown and a tighter domestic monetary policy, the Indian economy is projected to grow between 5.8% and 6.5% in FY 2023-24.

#### Our Response

The Bank continued to pursue its strategic objective to further 'granularise' its balance sheet with significantly higher focus on Retail, SME and Mid Corporate segments. Moreover, the Bank also fortified its balance sheet through a significant reduction in its Gross NPA and Net NPA in the previous fiscal. Backed by its strong digital and technological capabilities, the Bank featured amongst the four Pilot Banks chosen for the launch of Digital Rupee (e₹) – the Central Bank Digital Currency (CBDC) launched by the RBI.



## Operating Environment



### ESG and Climate Change

Sustainability and climate action received significant attention in FY 2022-23 with the Government of India placing sustainable development at the heart of its G20 Presidency, marked by its theme, 'One Earth, One Family, One Future'. In line with its Nationally Determined Contribution of reducing the carbon intensity of the economy by 45% by the year 2030 (over 2005 levels), India joined a handful of countries to launch its first sovereign green bonds, raising ₹ 16,000 crore (USD 2 billion) through two issuances. The proceeds of these issuances will be deployed in public sector projects that help reduce the economy's carbon intensity. In addition to being oversubscribed multiple times, India's first sovereign green issuance sold at a 'greenium' of 6 basis point versus the benchmark 10-year and 5-year bonds, signalling a strong appetite for domestic green debt issuances.

The year was also marked by decisive regulatory actions towards promoting the Environmental, Social and Governance (ESG) focussed development. SEBI's mandatory Business Responsibility and

Sustainability Reporting (BRSR) became applicable to the top 1,000 listed companies (by market capitalisation), ensuring standardised ESG disclosures across listed entities. The capital market regulator also approved a new regulatory framework for ESG rating providers pertaining to India specific ratings and introduced a regulatory framework proposing stricter investment and disclosure norms for ESG-focussed mutual funds. The RBI published a 'Discussion Paper on Climate Risk and Sustainable Finance' describing potential physical risks, transition risks and liability risks posed by climate change to the financial sector. The RBI called for banks and NBFCs to establish robust climate-focussed governance, strategy and risk management practices, and initiated stress testing and scenario analysis of their portfolios, against climate-related physical and transition risks. The banking regulator also issued a 'Framework for acceptance of Green Deposits' enabling banks to offer green deposits to its customers, helping them achieve their sustainability agenda, and augmenting the flow of credit to green activities/projects.

### Our Response

YES BANK continues to monitor developments across ESG and climate landscape and works closely with its spectrum of stakeholders to stay ahead of the curve, when it comes to integrating key sustainability-led themes and practices into its business. The Bank has published its BRSR (refer to page 282) as part of its Integrated Annual Report and continues to align its ESG disclosures to benchmark reporting frameworks such as the GRI Standards and Task Force on Climate-Related Financial Disclosures. For its comprehensive ESG and climate disclosures, YES BANK achieved the highest ESG score of 68 out of 100, amongst Indian banks, in the S&P Global Corporate Sustainability Assessment 2022 and was rated 'A-' (Leadership Band) by CDP, making it the highest rated Indian Bank for climate disclosures.

The Bank has put in place a robust climate governance framework with Board-level and Executive-level committees overseeing its climate strategy. The Bank strives to align its business to the goals of the Paris

Climate Agreement and India's net zero transition. The Bank has pledged to reduce GHG emissions from its operations to a net zero by 2030. In FY 2022-23, the Bank reduced its emissions by an estimated 13.6% from FY 2021-22 and avoided an estimated 4,435 tCO<sub>2</sub>e by switching key facilities to renewable energy. Towards reducing its climate-related transition risk and decarbonising its portfolio, the Bank has measured and reported financed emissions of its fund-based electricity generation portfolio and undertaken decarbonisation targets to reduce the financed emissions intensity of the Bank's fund-based electricity generation portfolio, in line with the Science Based Targets initiative (SBTi) well below 2 degree, striving for 1.5 degree scenario. The Bank continues to support climate-aligned sectors like renewable energy, electric vehicles and to develop targeted products for green financing such as YES Kiran and rooftop solar loans for SMEs.



## Operating Environment



### Digital Innovations leading Paradigm Shift in Customer Engagement / Relationship

Digital innovation has brought about a paradigm shift in customer engagement by offering newer ways to connect with customers and create a delightful personalised experience. With the rise of social media, mobile devices, and the Internet of Things (IoT), companies have more touchpoints than ever before to engage with their customers.

Social media platforms like Facebook, Twitter and Instagram have become popular platforms for customer engagement. The Bank now communicates with the customers, offers support, promotes its products, and collects valuable feedback, all in real time. Mobile devices have also transformed customer engagement by enabling the Bank to offer personalised experiences to customers 'on-the-go', such as personalised notifications, in-app messaging, and mobile payments. Moreover, new digital platforms such as Chatbot, WhatsApp, offer real-time interaction and transaction convenience to customers.

In conclusion, digital innovation has enabled companies to shift their focus towards creating highly personalised experiences for customers.



#### Our Response

YES BANK has always been at the forefront of digital adoption and innovations. During the year, the Bank launched a unique and an industry-first Floating Rate Fixed Deposit Offering (allowing customers to swiftly switch to fixed deposits with dynamic returns linked to repo rates) through online banking, mobile banking and Chatbot/WhatsApp. The Bank launched several new products including YES XPRESS – an industry-first digital onboarding

platform for seamless onboarding experience for availing CMS and Smart Trade Products. The Bank issued first e-BG in partnership with National E-Governance Limited. By utilising data insights, AI powered tools, AR/VR technologies, and social media channels, the Bank is continuously engaging with its customers in new and innovative ways, building brand loyalty and increasing customer satisfaction.



## Data Privacy and Security

Over the last few years, the banking sector has witnessed a significant increase in adoption and investment in digitisation. This led to the implementation of cutting-edge technologies. However, with the rise in digitisation, security risks

and related complexities have also emerged, which may occur due to several reasons including breach of confidentiality, integrity and compromise of customer's classified data including his / her personal and financial information.



### Our Response

Confidentiality of customer information is of utmost importance for YES BANK. The Bank has the highest commitment and continuous oversight across multiple levels, including a Board Level Committee, a 'Security Council' (comprising cross-functional senior most leadership), a pre-defined strong governance framework. The Bank has adopted Global Information Security Standard ISO 27001:2013 and implemented Board-approved Information Security Policy and Cyber Security policy, as directives to protect its information assets.

The Bank has adopted a risk-based approach and follows defence-in-depth to protect its

information systems against cyber-attacks. It has adopted a Cyber Security Resilient Framework to manage cyber security risk. This framework rides on four pillars – Protect, Detect, Respond and Recover. The Bank has established a 24x7 Security Operations Center (SOC) to monitor cyber-related risks, and keep a vigil on suspicious network traffic and events to timely detect any anomalies and help respond to potential incidents. The Bank subscribes to various threat intelligence services that helps it identify malicious indicator of compromise (IOCs) and block them as a proactive approach to prevent potential cyber-attacks.



# Our Strategy: Propelling Ahead and Delivering on Our Vision



The Indian economy weathered the COVID-19 pandemic storm well with vaccination, a host of fiscal measures and sufficient liquidity support from the Reserve Bank of India (RBI). Consistent capex support from the Central Government and relatively stable consumption demand led the Indian economy to grow by 7.2% in FY 2022-23, maintaining its status of being one of the world's fastest growing economies. At the same time, the banking sector remained strong and resilient despite global financial market volatility. Year-on-year (Y-O-Y) credit growth for FY 2022-23 was at 12.3%, while deposit growth was 10.3%, making it a year of consistent and steady growth for YES BANK. The early investments made in building our digital capabilities, a broad-based distribution franchise, a diversified product suite and a strong emphasis on being a customer-focussed bank positioned us well to ride these evolving times.

The Bank's strong business performance is in line with its long-term strategic objectives and reflects its strong underlying fundamentals and growth potential. The Bank has reported consistent improvement across metrics on book quality, liquidity and coverage. On the deposit side, in spite of deposit pressure and external headwinds, the Bank grew its deposit base by 10.3% Y-O-Y to ₹ 2.18 lakh crore, with an underlying CASA ratio of 30.8%. The Bank continues to maintain its near-term CASA guidance of 35%, but in the current market environment, it is prioritising and focussing on maintaining the current CASA levels.

On the advances side, reported advances grew by 12.3% Y-O-Y. Within our advances book, the Retail and SME segments grew by 34%, medium enterprises by 36%, with debulking on the large corporate base resulting into decline to the extent of 25%.<sup>1</sup> In the second half of

<sup>1</sup> If not for the ARC transaction, Bank loan growth would have been 13.2% and Wholesale book would have de-grown 18.9% on Y-O-Y basis

FY 2022-23, the Bank successfully concluded and closed two strategic and transformational transactions:

- 1) The successful capital raise from marquee investors, Carlyle and Advent International, which aided in significant expansion in the capital base. This was the second largest private capital raise transaction in the Indian Banking Sector in the last two decades.
- 2) The successful transfer of the Bank's non-performing assets (NPA) book to JC Flowers ARC. This was the single-largest transaction of sale of non-performing assets in the Indian Banking System, leading to significant improvement in reported GNPA and NNPA ratios. At the same time, the operational momentum continues with further step-up in disbursements across segments and improving operating profit in the last eight quarters.

Building on this momentum, the Bank now plans to move into the next phase of its journey and deliver returns to its stakeholders – sustainable, profitable growth with a

target of ~1.5% RoA in the next five years. The Bank's ambition and vision rests on three main pillars:

- 1) To continue to be a universal bank, but with a focus on granularising all businesses,
- 2) To build on inherent digital market leadership to become a relationship banker to the new-age economy and future value pools, while continuing to facilitate and capture flow business, and
- 3) To focus on building an employee-centric culture, efficient processes and fit-for-scale technology architecture. Importantly, our strategy is underpinned by strong risk management to provide a secure banking platform and risk-adjusted returns.

Last, but not the least, the Bank recognises that sustainable growth is inextricably linked with environmental sustainability, social development, and good governance and, therefore, continues to integrate ESG considerations into its core business strategically.

### 3 Pillars of the Bank's Vision



#### STAY UNIVERSAL BUT GO GRANULAR

Gain share across segments, while diversifying and de-risking

- Granularise all businesses including corporate
- Develop consumer lending capabilities and mindset (e.g., parametric lending, test-and-learn)



#### PREFERRED BANKER TO THE NEW ECONOMY

Maintain market leadership with focus on monetisation

- Relationship banker to future value pools (e.g., Millennials/early corporate salary, SME)
- Banker of choice for digital-natives (e-commerce, fintech, start-up ecosystem)
- Key player in capturing/facilitating money flows

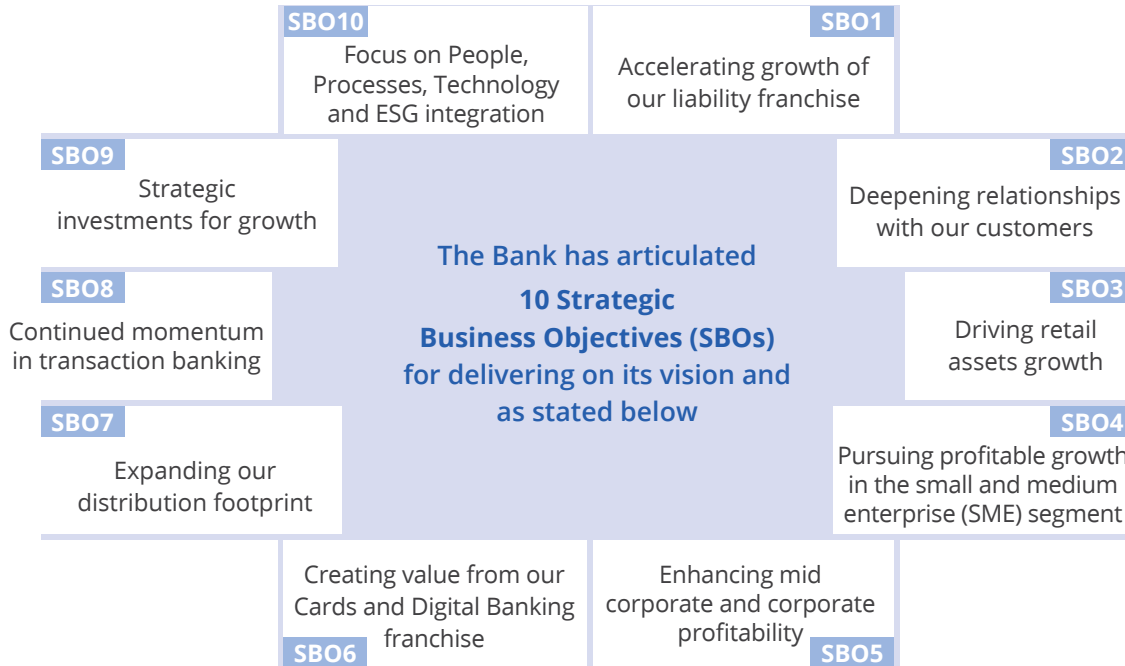


#### BE EFFICIENT YET EMPATHETIC

Destination for talent technology and purpose

- Optimised processes
- Heightened customer service
- Employee centricity
- Fit for scale technology architecture

## Our Strategy: Propelling Ahead and Delivering on Our Vision



### These Strategic Business Objectives (SBO) are given below:

Strategic Business Objective	Our progress	Targeted initiatives / actions undertaken in the past year(s)
<p><b>SBO1</b></p> <p>Accelerating growth of our liability franchise</p> <p><a href="#">Capitals / Material Topics / Risks Impacted</a></p> <p><b>C1</b> Financial <b>M15</b> Liability <b>R7</b> ALM <b>R8</b> Strategic</p>	<ul style="list-style-type: none"> <li>Retail depositors form an important source of low-cost and stable funding for the Bank. The Bank continues to grow and granularise its deposits base across savings accounts, current accounts and term deposits; and has introduced a wide range of tailored propositions for customer segments in the last couple of years. Accelerating current accounts growth will be a key focus area for the Bank for the next few years, especially retail current accounts</li> <li>While YES BANK offers a full product proposition suite and a strong service proposition to CA (Current Account) customers, the focus will be to further deepen the distribution network in identified clusters, improve digital support via an integrated self-serve and engagement platform and create joint propositions across assets and liabilities to improve collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Curated propositions for micro segments, e.g., manufacturers, service providers, wholesale traders and retailers</li> <li>Comprehensive solutions such as YES Connect, Trade Finance, Forex, Payment and Collection solutions for all the banking needs of the customers to deepen wallet share and ensure continued engagement</li> <li>Increase in the number of CA focussed branches to expand targeted distribution footprint</li> </ul>

 For Capitals, refer **Page 56**

 For Risk Management, refer **Page 58**

 For Material Topics, refer **Page 76**

Strategic Business Objective	Our progress	Targeted initiatives / actions undertaken in the past year(s)
<p><b>SBO2</b></p> <p><b>Deepening relationships with our customers</b></p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C5</b> Social &amp; Relationship</li> <li><b>C6</b> Intellectual</li> <li><b>M3</b> Fin Inclusion</li> <li><b>M4</b> Digital</li> <li><b>M7</b> Customer Experience</li> <li><b>R8</b> Strategic</li> </ul>	<ul style="list-style-type: none"> <li>■ Deepening of existing customers and leveraging existing distribution strength for acquiring new customers remains a central area of focus for the Bank. The Bank will continue to expand its share of wallet and fee income, primarily using sharper personalisation, cross-sell of transaction banking and other complementary solutions, para-banking solutions and enhancement of self-service processes. The Bank continues to develop and enhance customer digital journeys, be it across sales, service or operations</li> </ul>	<ul style="list-style-type: none"> <li>■ Customised offerings and propositions for each customer segment strengthened/ launched in the last couple of years, e.g., YES PRIVATE, YES FIRST, YES Premia (for mass affluent), YES Prosperity (mass), YES Family, YES Respect (for senior citizens), YES Essence (for Women), YES Vijay (for the defence forces)</li> <li>■ On-the-Go - Analytics driven Customer Relationship Management tool for the Relationship Management Channel, Next Best Action and offers to deliver the right products at the right time to customers</li> <li>■ Adoption of open-architecture framework to provide bespoke insurance solutions across different customer segments based on their suitability and needs</li> <li>■ DIY journey for our customers for wealth solutions on our Internet and mobile banking platforms</li> <li>■ Omni-channel engagement enabled through Spectrum Banking and digital channels</li> <li>■ Assisted digital model for mass market products powered by analytics driven personalised campaigns</li> </ul>
<p><b>SBO3</b></p> <p><b>Driving retail assets growth</b></p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C1</b> Financial</li> <li><b>M3</b> Fin Inclusion</li> <li><b>M12</b> Asset Quality</li> <li><b>R3</b> Credit</li> <li><b>R4</b> Asset Concentration</li> <li><b>R8</b> Strategic</li> </ul>	<ul style="list-style-type: none"> <li>■ On the Retail Lending side, our digital lending journeys and digital propositions across most of our products, backed by robust credit, analytics and strong IT infrastructure, are enabling consistent growth. We believe this combination of 'Digital First' capabilities and deep business expertise positions us well to prudently drive growth without compromising on the quality of our portfolio</li> <li>■ Our lending strategy is to increase the share of unsecured lending in our overall book in select high-yield product categories, while also exploring co-lending and partnership opportunities to accelerate growth. The Bank aims to focus on increasing the proportion of priority sector lending in its book through both organic and inorganic routes, especially in providing finance for small farmers, women and weaker sections. At the same time, the focus remains on being efficient on costs and improving customer experience through process transformation of key lending journeys and reducing the cost of acquisition</li> </ul>	<p>Purposeful digital investments</p> <ul style="list-style-type: none"> <li>■ Loan in Seconds (LIS) platform and front-end automation initiatives (YES Robot) have resulted in lower TAT and higher productivity</li> <li>■ Sales force implementation helping in process improvement and customer delight</li> <li>■ Pre-qualified Gold Loan OD for existing customers 24x7 digital process</li> <li>■ Capturing the rural value chain with geographic diversification</li> <li>■ Rich pedigree of working with credible BC partners</li> <li>■ Grid-based framework for MFI lending (Parameters include AUM size, capital adequacy, external rating, delinquency and diversification)</li> <li>■ Analytics for expansion towards paperless processing</li> </ul>

## Our Strategy: Propelling Ahead and Delivering on Our Vision

Strategic Business Objective	Our progress	Targeted initiatives / actions undertaken in the past year(s)
<p><b>SBO4</b></p> <p><b>Pursuing profitable growth in the small and medium enterprise (SME) segment</b></p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C1</b> Financial</li> <li><b>M3</b> Fin Inclusion</li> <li><b>R8</b> Strategic</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank wants not only to be a “Lender”, but a “Financial Services provider” encompassing all aspects of borrower requirements for its SME customers. Apart from lending, an API integrated ecosystem, entity and family banking propositions, loyalty rewards, dedicated portfolio team and virtual RM team are some enablers implemented by the Bank for gaining larger wallet share from the SME segment</li> <li>■ At the same time, the Bank plans to improve internal sourcing on the Liabilities base through analytics and enhance efficiency through straight through processing and seamless flow from origination to disbursement. The Bank is also exploring co-lending opportunities in higher yield segments to accelerate growth</li> </ul>	<ul style="list-style-type: none"> <li>■ Digital onboarding and loan management system, also introduced geo-tagging-based monitoring</li> <li>■ Usage of bureau data up to pincode level for monitoring portfolio health comprehensively and aiding expansion</li> <li>■ Leveraging fintechs/ digitechs for underwriting and risk management</li> <li>■ Digital documentation – E-Sign / E-Stamp launched for SME banking</li> <li>■ Analytics driven prospective client identification</li> <li>■ Full Journey integration and digitalisation                             <ul style="list-style-type: none"> <li>■ Origination</li> <li>■ Underwriting</li> <li>■ Operations</li> <li>■ Customer lifecycle</li> </ul> </li> </ul>
<p><b>SBO5</b></p> <p><b>Enhancing mid corporate and corporate profitability</b></p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C1</b> Financial</li> <li><b>M12</b> Asset Quality</li> <li><b>R3</b> Credit</li> <li><b>R4</b> Asset Concentration</li> <li><b>R8</b> Strategic</li> </ul>	<ul style="list-style-type: none"> <li>■ Within the Bank’s Wholesale Banking business, the mid corporate business has seen consistent growth over the last couple of years and plans to continue on this trajectory in the coming years. The Bank remains committed to enhancing customer experience through improvements in the customer onboarding journey and automation, best-in-class relationship management and deepening of distribution. The Bank continues to focus on deepening of existing top-tier banking relationships and acquiring a higher share of wallet through cross-sell of the Bank’s Transaction Banking, FX &amp; Derivatives, and the Digital Product suite</li> </ul>	<ul style="list-style-type: none"> <li>■ Granular portfolio with a focus on knowledge banking</li> <li>■ Deeply entrenched in new-age entrepreneurship ecosystem by providing bespoke digital solutions, incubation and networking platforms</li> <li>■ ECOM Team - Unicorn and ‘Soonicorn’ Focus</li> <li>■ Market leading position in cross-border remittances</li> <li>■ Focus on deepening relationships with top tier large corporates through knowledge banking and relationship-centric approach</li> </ul>

Strategic Business Objective	Our progress	Targeted initiatives / actions undertaken in the past year(s)
<p><b>SBO6</b></p> <p><b>Creating value from our Cards and Digital Banking franchise</b></p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C4</b> Manufactured</li> <li><b>C6</b> Intellectual</li> <li><b>M4</b> Digital</li> <li><b>R8</b> Strategic</li> <li><b>R12</b> Information Security</li> </ul>	<ul style="list-style-type: none"> <li>■ In the Credit Cards business, the Bank has been witnessing good growth in its Cards base over the past few years. The Bank plans to continue growth in sourcing momentum and improving internal sourcing efficiency, while also exploring co-branded partnerships to drive acquisition at scale</li> <li>■ The Bank continues to be a market leader in the digital payments space and is steadily investing towards monetisation of these capabilities. The Bank processes nearly 1 out of every 3 digital transactions in the ecosystem (UPI, IMPS, NEFT, AEPS and Micro ATMs)</li> </ul>	<ul style="list-style-type: none"> <li>■ Digital acquisition equipped with Video KYC and Biometrics for a fully digital 'paperless' customer onboarding</li> <li>■ Enhanced distribution outreach through partnerships with Fintechs and affiliates</li> <li>■ Savings account co-origination as a part of credit card digital onboarding journey, thus augmenting its relationships with credit card customers</li> <li>■ Digitisation of value-added offerings through self-service portal to enhance customer experience</li> </ul>
<p><b>SBO7</b></p> <p><b>Expanding our distribution footprint</b></p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C3</b> Natural</li> <li><b>C4</b> Manufactured</li> <li><b>M2</b> Environment</li> <li><b>M3</b> Fin Inclusion</li> <li><b>M7</b> Customer Experience</li> <li><b>R1</b> Operational</li> <li><b>R8</b> Strategic</li> <li><b>R11</b> Climate</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank's strategy remains to grow through a phygital model, with a strong physical network of 1,192 branches, supported by best-in-class digital servicing capabilities for our customers. The Bank will continue to expand its physical distribution in key micro markets for retail deposits and assets growth, while digital distribution as a share of total distribution will also grow in parallel</li> <li>■ The Bank's customer first approach is embedded in our distribution approach as well, and we plan to keep increasing and nurturing these relationships we have with our customers, while also creating accessibility for a wider pool of customers. At the same time, as the Bank grows in size and scale, the Bank will also pay particular attention on building a focussed branch network with profitable unit economics. We plan to fund our branch expansion strategy over time, both by exploring leaner formats integrated with tech capabilities and optimising the size or location of select branches</li> </ul>	<ul style="list-style-type: none"> <li>■ Cater to all customer segments (UHNI, HNI, Mass Affluent, NRIs, mass, rural and inclusive banking) with full product suite</li> <li>■ Digital distribution and servicing through new-age mobile app IRIS and paperless processing through YES AIM and Video KYC capabilities</li> <li>■ Alternate channels (Virtual Relationship Management) strengthened and equipped to enhance customer engagement and fulfil customer requests virtually</li> <li>■ New branch formats integrated with tech capabilities to be explored</li> </ul>
<p><b>SBO8</b></p> <p><b>Continued momentum in transaction banking</b></p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C1</b> Financial</li> <li><b>C6</b> Intellectual</li> <li><b>M4</b> Digital</li> <li><b>R12</b> Information Security</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank recognises that there is an immense opportunity in relationship banking to the start-ups, e-Commerce and Fintech ecosystem. The Bank aspires to be the "Banker of Choice" to these new-age companies by providing niche and customised banking solutions. The Bank is already a market leader in API banking (with 450+ APIs), but it will look to proliferate the API marketplace with existing clients through the development of an integrated front-end solution and engage with 3<sup>rd</sup> party partners across different fields (accounting, legal, taxation, expense management, invoicing and payment gateways) to strengthen its connected banking proposition</li> </ul>	<ul style="list-style-type: none"> <li>■ Sachetisation of solutions across industry segments</li> <li>■ API'fication of our Marketplace model (YES BANK + Partner Stack) – Remittances, Neo Banking services, statutory payments, payment aggregator services, payment optimisation, e-invoicing, and smart collections, among others</li> <li>■ Straight Through Processing (STP) for Trade Finance and Supply Chain</li> </ul>

## Our Strategy: Propelling Ahead and Delivering on Our Vision

Strategic Business Objective	Our progress	Targeted initiatives / actions undertaken in the past year(s)
<p><b>SBO9</b></p> <p>Strategic investments for growth</p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C1</b> Financial</li> <li><b>M14</b> Cost</li> <li><b>R8</b> Strategic</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank will seek inorganic growth opportunities in businesses or assets that either enable it to: expand its market share; allow entry into an industry, customer or geographic segment that it is currently not present in; or provide with new capabilities</li> <li>■ These partnerships could be pure-play business arrangements such as co-lending arrangements or 'Banking as a Service' partnerships, or it could also take the form of acquisitions, strategic investments or asset purchases</li> <li>■ For example, in order to remain at the forefront of digital innovation, especially in the areas of customer servicing, customer acquisition, digital lending and last-mile lending, the Bank will actively partner with relevant start-ups that are focussed on specific propositions in these areas. At the same time, the Bank will also consider strategic investments in niche capability areas such as Wealth Management and Analytics</li> <li>■ The Bank is also continuously exploring and evaluating strategic investments and / or inorganic opportunities in the priority sector lending arena in order to increase proportion of its PSL compliant book and gain access to newer geographies and capabilities</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank has launched a Fintech Investment programme for strategic investments in unlisted start-ups and new-age companies. These investments will enable the Bank to:             <ul style="list-style-type: none"> <li>■ Enhance technical capability/profess of the investee companies' solutions to their own or through other modes of joint Go-to-Market; and/or</li> <li>■ Enhance the product offerings provided to YES BANK's clients; and/or</li> <li>■ Access additional granular liability or asset relationships through the client base of investee companies</li> </ul> </li> </ul>
<p><b>SBO10</b></p> <p>Focus on People, Optimising Processes, Fit for Scale technology and ESG integration</p> <p>Capitals / Material Topics / Risks Impacted</p> <ul style="list-style-type: none"> <li><b>C2</b> Human</li> <li><b>C3</b> Natural</li> <li><b>M1</b> Climate</li> <li><b>M2</b> Environment</li> <li><b>M6</b> Culture</li> <li><b>M8</b> Data Security</li> <li><b>M9</b> Employee Turnover</li> <li><b>R8</b> Strategic</li> <li><b>R9</b> Attrition</li> <li><b>R12</b> Information Security</li> </ul>	<ul style="list-style-type: none"> <li>■ As a future-ready bank, we are technology and digital-led in most of our operations. Technology continues to evolve at a pace and is already redefining the relationship between the customers and banks. A digitally-enabled technology architecture, customer experience centrality, and insight-driven strategies and actions are among the Bank's focus areas for the long term. We will continue to invest in our engagement platform, front-end customer journeys and analytics to deepen our engagement with our customers. The Bank's on-the-go CRM platform enables a 360-degree view backed with intelligent recommendations, allowing the branch team to offer the right product and service to customers</li> <li>■ The Bank will enhance its IRIS platform to be the mobile 'platform of choice' for cross business applications from sales to support servicing journeys</li> <li>■ Analytics is also an important backbone for business growth and the Bank will leverage the Analytics team to improve sourcing and decision-making, while strengthening its personalisation and cross-sell capabilities through enhanced next best action engines and campaign analytics</li> </ul>	<p><b>Areas of Technology focus:</b></p> <ul style="list-style-type: none"> <li>■ API / Micro-services</li> <li>■ Data &amp; Analytics</li> <li>■ Partner ecosystem</li> <li>■ Artificial Intelligence / Machine Learning</li> <li>■ Compliance and security</li> </ul> <p><b>People Initiatives:</b></p> <ul style="list-style-type: none"> <li>■ YES Inspire Women Mentorship Program</li> <li>■ Advanced Leadership Programme (ALP) for Top and Senior Management executives</li> <li>■ Employee engagement workshops</li> <li>■ 'Voice of YES' Employee Feedback Survey</li> </ul>

For Capitals, refer **Page 56**

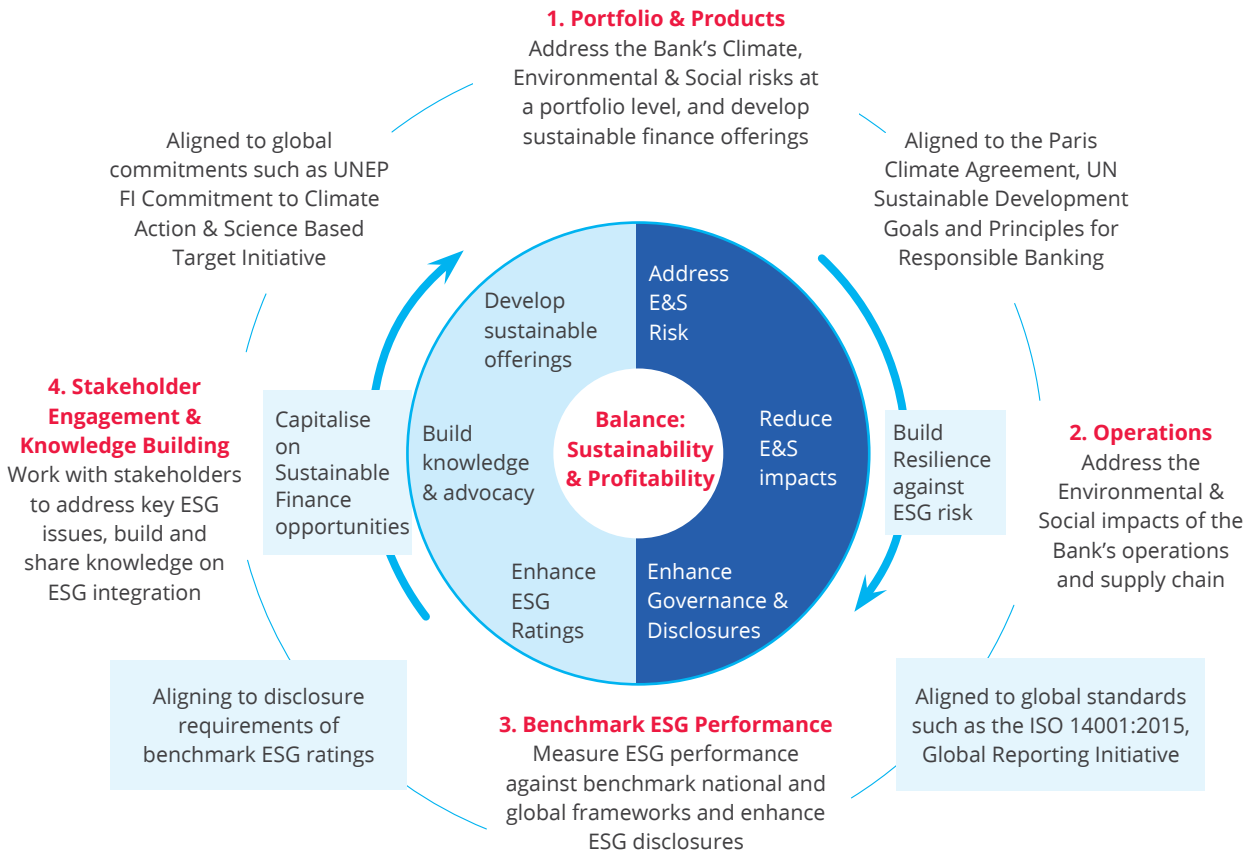
For Risk Management, refer **Page 58**

For Material Topics, refer **Page 76**

Strategic Business Objective	Our progress	Targeted initiatives / actions undertaken in the past year(s)
	<ul style="list-style-type: none"> <li>■ Achievement of the Bank's strategy is contingent on timely hiring of specialists and distribution resources, with talent emerging as the key differentiator in these evolving times</li> <li>■ The Bank will invest in timely expansion of distribution resources to accelerate sourcing and portfolio build-up. The Bank will continue to focus on hiring of key talent and drive structured learning programmes for skill building and career progression, while maintaining control over spans and layers</li> <li>■ Integrating ESG considerations into its business (The Bank's ESG Strategy is given below)</li> </ul>	<p>The Bank has been ranked among the Top 50 in 'India's Best Workplaces in BFSI - 2023' by Great Place to Work® Institute. This certification reflects the high-trust and high performance culture that we have built at YES BANK.</p> <p><b>ESG achievements:</b></p> <ul style="list-style-type: none"> <li>■ Achieved the highest ESG Score of 68 out of 100, amongst Indian Banks in S&amp;P Global CSA</li> <li>■ Achieved the highest rating amongst Indian Banks for climate disclosures with a CDP rating of 'A-' (Leadership Band)</li> </ul>

**ESG Strategy**

YES BANK has adopted a four-pronged ESG strategy which strives to align with national and global frameworks on sustainable development, address key impacts of the Bank's business activities and embed ESG considerations into all aspects of its business ecosystem.





# Our Value Creation Model

## CAPITALS

### C1 Financial

The Bank's financial resources, including the financial value generated through its business activities

### C2 Human

The Bank's human resources, their competencies, knowledge, experience and ability to innovate

### C3 Natural

The natural resources employed by the Bank in running its operations and business

### C4 Manufactured

The Bank's tangible and intangible infrastructure, such as its branches, offices, and operations

### C5 Social and Relationship

The Bank's relationships with customers, regulators, suppliers and community at large aimed at creating shared societal value

### C6 Intellectual

The Bank's collective knowledge base, thought leadership, research, brand and intellectual property

## A FULL-SERVICE COMMERCIAL BANK OFFERING A COMPREHENSIVE PRODUCT

### THREE MAIN PILLARS



**STAY UNIVERSAL  
BUT GO  
GRANULAR**



**PREFERRED  
BANKER TO THE  
NEW ECONOMY**



**BE EFFICIENT  
YET  
EMPATHETIC**

### CULTURE 5 CORE VALUES



### STRATEGIC BUSINESS OBJECTIVES

- Accelerating growth of our liability franchise
- Deepening relationships with our customers
- Driving retail assets growth
- Pursuing profitable growth in the small and medium enterprise (SME) segment
- Enhancing mid corporate and corporate profitability
- Creating value from our Cards and Digital Banking franchise
- Expanding our distribution footprint
- Continued momentum in transaction banking
- Strategic investments for growth
- Focus on People, Optimising, Processes, Fit for Scale technology & ESG

**SUITE TO ITS CORPORATE, MID CORPORATE, SME AND RETAIL**

# KEY BUSINESS ACTIVITIES



## Raising deposits across segments\*

- Corporate Deposits: ₹ 101,852 crore (ex-CDs)
- Retail Deposits raised: ₹ 115,359 crore
- CASA Deposits: ₹ 66,903 crore



## Lending funds across segments\*

- Corporate Advances: ₹ 54,064 crore
- Mid Corporate Advances: ₹ 26,951 crore
- Retail Advances: ₹ 91,000 crore
- SME Advances: ₹ 28,186 crore
- Rural Advances: ₹ 4,836 crore (included in Retail Advances above)



## Transaction banking and Treasury activities

- Trade and Cash Management Services
- Forex sales
- Balance Sheet management



## Para-banking and other services

- Financial Market activities on behalf of clients/ Proprietary trading etc.



## Revenue generated

- Net Interest Incomes from loans: ₹ 7,918 crore
- Fee income: (Total Non Interest Income): ₹ 3,927 crore

\* Basis internal business segmentation

### Material Topics Impacted

### SBOs Impacted

### Risks Impacted

- M3 Fin Inclusion
- M12 Asset Quality
- M14 Cost
- M15 Liability
- M17 Resilience

- SBO1 Liability Franchise
- SBO2 Deepening Relationship
- SBO3 Retail Asset Growth
- SBO4 SME Growth
- SBO5 Corporate Profitability
- SBO6 Cards & Digital

- R2 Market
- R3 Credit
- R4 Asset Concentration
- R7 ALM
- R10 Model

- M6 Culture
- M9 Employee Turnover
- M13 Values
- M16 Governance

- SBO10 People, Processes, Tech & ESG

- R1 Operational
- R6 Reputation
- R9 Attrition

- M1 Climate
- M2 Environment
- M5 Disclosures
- M16 Governance

- SBO7 Distribution & Footprint
- SBO10 People, Processes, Tech & ESG

- R1 Operational
- R5 Compliance
- R11 Climate

- M2 Environment
- M3 Fin Inclusion
- M4 Digital
- M7 Customer Experience

- SBO2 Deepening Relationship
- SBO7 Distribution & Footprint

- R1 Operational
- R8 Strategic
- R12 Information Security

- M1 Climate
- M2 Environment
- M3 Fin Inclusion
- M5 Disclosures
- M7 Customer Experience

- SBO2 Deepening Relationship
- SBO3 Retail Asset Growth
- SBO7 Distribution & Footprint
- SBO10 People, Processes, Tech & ESG

- R6 Reputation
- R8 Strategic
- R12 Information Security

- M1 Climate
- M2 Environment
- M3 Fin Inclusion
- M4 Digital
- M10 Brand

- SBO6 Cards & Digital
- SBO8 Transaction Banking
- SBO10 People, Processes, Tech & ESG

- R6 Reputation
- R8 Strategic
- R12 Information Security

## Our Value Creation Model

### CAPITALS

#### INPUTS

##### C1

#### Financial

- Raised equity capital of ~USD1.1Bn (~₹ 8,900 crore) from Carlyle and Advent International
- Completed assignment of ₹ 48,000 crore stressed assets loan portfolio to JC Flowers ARC, in single largest transaction of sale of non-performing assets in the Indian Banking System
- Equity: ₹ 40,742 crore
- Deposits: ₹ 217,502 crore
- Borrowings: ₹ 77,452 crore

#### OUTPUTS

- 🟢 Bolstered balance sheet with CET1 Ratio at 13.3% from 11.6% in FY 2021-22
- 🟢 Significantly improved GNPA ratio of 2.2% from 13.9% in FY 2021-22. Reduced NNPA ratio to 0.8% from 4.5% in the previous year
- 🟢 Second straight year of Full Year Profitability
- 🟢 Operating Profit: ₹ 3,183 crore (up 9.2% Y-O-Y)
- 🟢 Taxes paid to government: ₹ 70 crore
- 🟢 Advances: ₹ 203,269 crore (up 12.3% Y-O-Y)
- 🟢 Disbursements: ~ ₹ 1 lakh crore (up ~43% Y-O-Y)
- 🟡 Non Tax Provisions/credit costs flattish Y-O-Y (adjusted for accelerated provisions)
- 🔴 Cost to Income ratio at 73.1% in FY23 v/s. 70.1% in FY22 on account of continued investment in retail franchise

##### C2

#### Human

- Full Time Employees: 27,517 YES BANKers (up 13% Y-O-Y)
- New hires during the year: 14,608
- Investment towards Human Resources: ₹ 3,363 crore
- The Bank's Diversity and Inclusion Council accelerates D & I initiatives across the Bank. The Bank has undertaken a target to achieve 25% gender diversity by FY 2024-25
- Training programmes conducted: 6,651
- Group medical insurance and life insurance benefits for all employees; medical facilities at 4 corporate centres
- Employee Engagement initiatives
- YES LEAGUE of Excellence, rewards and recognition platform

- 🟢 Ranked amongst Top 50 in 'India's Best Workplaces in BFSI 2023' rankings by the Great Place to Work® Institute
- 🟢 Women participation in workforce at 21% (up from 18.77% in FY22)
- 🟡 Recorded 12,92,776 training hours with 26,931 employees trained
- 🟡 Return-to-Work-Rate after Parental leave: 98.8% after maternal leaves and 100% after paternal leave
- 🟢 ~11,000 employees rewarded and 3,000+ appreciation messages exchanged through YES LEAGUE of Excellence
- 🔴 Employee attrition at 42.7%

##### C3

#### Natural

- ~52,403 MWh of grid electricity consumed (non-renewable energy sources)
- ~6,204 MWh of grid electricity consumed (renewable energy sources)
- ~70,719 kilolitres of water consumed at the Bank's major offices
- ~2,59,057 litres of diesel consumed
- ~351 tonnes of paper consumed (A4 copier paper and courier)
- Investments towards energy conservation and RE: ~₹ 7 crore
- Financing of ₹ 1,482 crore towards renewable energy projects in FY 2022-23
- ₹ 120.41 crore in outstanding loans to towards Electric Vehicles
- Target to achieve net zero emissions from operations by 2030
- Targets to reduce financed emissions intensity and align the Bank's electricity generation loan portfolio with global decarbonisation scenario
- Robust Environment and Social Risk Management System (ESMS) to assess and mitigate environment and social (E&S) risks of lending activities
- Robust climate governance structure for with oversight from Board level and Executive level committees
- Environmental Management System (EMS) covering the Bank's offices and Branches

- 🟢 ~13.6% reduction in Scope 1 and Scope 2 emissions (Y-O-Y)
- 🟢 ~23.6% reduction in emission intensity per FTE (Y-O-Y)
- 🟢 ~4,435 tCO<sub>2</sub>e emissions avoided by switching to renewable energy
- 🟢 71% reduction in financed emissions (electricity generation portfolio)
- 🟢 35% reduction in financed emission intensity (electricity generation portfolio)
- 🟡 ~41,009 tCO<sub>2</sub>e emissions generated from the Bank's operations (Scope 1 and Scope 2)
- 🟡 5,59,982.76 tCO<sub>2</sub>e in financed emissions attributable to the Bank's electricity generation portfolio
- 🟢 Attributable avoidance of over 685 ktCO<sub>2</sub>e from renewable energy portfolio, annually
- 🟢 Attributable avoidance of over 414.38 ktCO<sub>2</sub>e from the RE projects financed the Bank's Green Bonds
- 🟢 Financed 264 MW of RE projects in in FY 2022-23; Supported ~7.2 GW since 2015
- 🟡 ~146 tonnes of waste generated
- 🟢 ~137 tonnes of waste recycled and diverted from disposal
- 🟢 833 facilities certified ISO 14001:2015 compliant for their Environmental Management System (100 new facilities covered over previous year)
- 🟢 Rated 'A' (Leadership Band) by CDP - highest amongst Indian Banks for climate disclosures
- 🟢 Green Buildings: YES BANK House received Platinum certification and Okhala received Gold certification
- 🔴 2.26% increase in energy consumption (Y-O-Y) due to addition of facilities

## CAPITALS

## INPUTS

## OUTPUTS

C4

## Manufactured

- No. of Corporate Offices: 9
- No. of Urban and Rural Branches/ BCBOs: 1,192 Branches; 150 BCBOs; 1,301 ATMs
- 1 Representative Office in Abu Dhabi and IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
- Diversified rural portfolio across ~225 districts in 15 states; largest network of 8 lakh+ Business Correspondence (BC) partners
- Investments towards technology/ IT Costs: ₹ 900 crore
- 5 state-of-the-art data centres in Maharashtra and Karnataka

- 🟢 83 new facilities opened in FY23
- 🟢 833 facilities certified ISO 14001:2015 compliant for their Environmental Management System
- 🟢 Corporate Office YES BANK House and 34 Mumbai Branches powered by Renewable Energy

C5

## Social and Relationship

- Full product suite catering to all customer segments HNI, affluent, NRIs, semi-urban and rural ecosystem
- Focussed financing towards social sectors including: women microfinance loans; farm mechanisation loans; SME financing; affordable housing loans etc.
- 7.6 lakh active women customer base in rural India
- Customer Experience: Dedicated physical RMs for relationship deepening; use of AI, data analytics and business intelligence to enhance efficiency and customer experience
- Engagement with diverse base of 10,500+ large, medium and small suppliers
- Community development programmes by YES Foundation aimed at catalysing employment and entrepreneurship opportunities for 1,00,000 youth by 2026
- Corporate & Government Advisory (CGA) group working with clients across Central and state governments, multi-lateral bodies, industry chambers and private sector players on their developmental and growth agenda

- 🟢 ₹ 1,142 crore disbursed to 3.02 lakh women through the Bank's women group-lending programme, YES LEAP in FY 2022-23
- 🟢 Over 4,300 accounts opened under Pradhan Mantri Jan Dhan Yojana
- 🟢 1,798 Financial Literacy Camps conducted in rural India
- 🟢 9 point improvement in Retail Banking NPS over last year
- 🟡 60+ strategic vendors representing ~85% of the Bank's procurement function-led spend, covered under the Bank's ESG awareness programme/ preparedness survey
- 🟢 Since 2021, 5,000+ youth skilled for market-oriented jobs; 30,000+ rural youth benefitted through entrepreneurship opportunities
- 🟢 Assisted Department of Power, West Bengal in developing the state's EV policy; assisted Department of Transport, Himachal Pradesh in preparing EV Charging Infra roadmap
- 🔴 Penalties totalling ₹ 1,29,400 levied through regulatory actions

C6

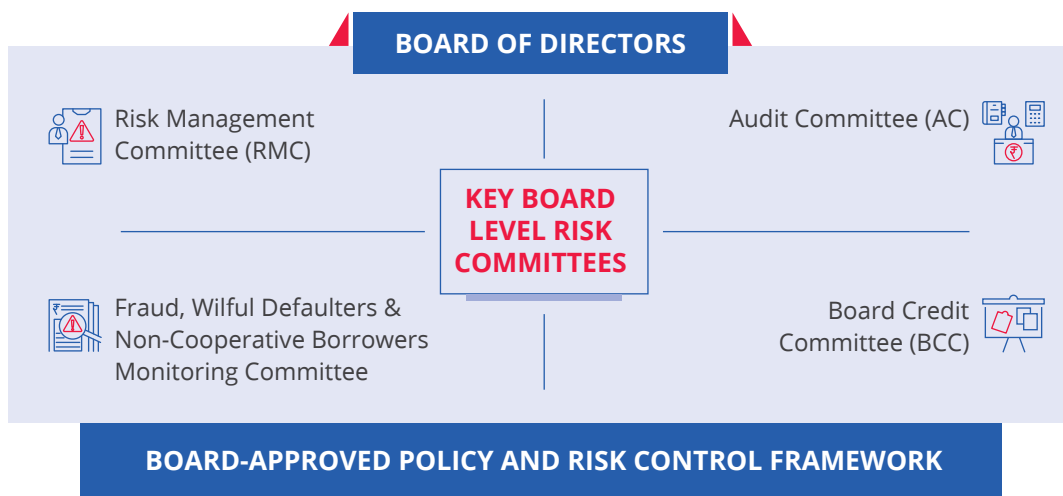
## Intellectual

- Modern, scalable & resilient digital infrastructure
- Industry leading API tech stack - 450+ API Stack; 30+FinTech Partnerships
- Specialised Food and Agribusiness Strategic Advisory and Research (FASAR) unit
- Specialised Corporate & Government Advisory (CGA) group
- Specialised Sustainable Finance Unit with strategic focus on ESG

- 🟡 Reduced TAT and higher productivity through Loan in seconds (LIS) platform and front-end automation initiative (Yes Robot)
- 🟡 Market leader in payment and digital businesses - processes every third transaction in India
- 🟢 No. 1 in UPI by transaction volumes
- 🟡 ~90% of transactions via digital channels
- 🟢 49 new advisory engagements and projects across Agri Infrastructure, Agri Value Chains, Export Strategy, Food Processing, Food Lab Infrastructure, Fisheries, Meat, Poultry, Spices and Dairy amongst others
- 🟢 Highest ESG Score of 68 out of 100, amongst Indian Banks in S&P Global CSA
- 🟢 Refreshed brand identity with a new brand ethos - "Life Ko Banao Rich"

# Risk Management Governance Framework

The Bank has implemented an Enterprise Risk Governance Framework to ensure integrated risk assessment and management. Its Risk Management philosophy is guided by a strong Governance Framework and the three Lines of Defence as highlighted below and also detailed out on [191](#) in the Directors’ Report.



Key Management Level Risk Committees			
Apex Management Committee	Enterprise Risk, Reputation Risk & Model Assessment Committee	Management Credit Committee	Asset & Liability Management Committee
Operational Risk Management Committee	Stressed Asset Monitoring Committee	Product Process Approval Committee	Standing Committee on Customer Service
Sustainability Council	Whistle Blower Committee	Disciplinary Committee	Security Council
Accountability Review Committee	Fraud & Suspicious Transaction Monitoring Committee	Fraud Identification Committee	Committee for Classification of Wilful Defaulters & Non Co-operative Borrowers

### First Line of Defence: Business Management

### Second Line of Defence: Independent functions

### Third Line of Defence: Internal Audit

The Board has the overall responsibility for Risk Management and oversees the Risk & Control environment, and also reviews and approves the policies as a part of overseeing the Risk Management practices. In this regard 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
- Lays down the Risk Appetite Statement which articulates the quantum of risk that the Bank is willing and able to assume in its exposures and business activities, in pursuit of its strategic objectives and desired returns
- Establishes policies governing various aspects of risk management, which lays down the Risk Appetite Framework within the overall Risk Appetite Statement

The Board has put in place Board-level Committees, as highlighted above, which inter-alia pertain to Risk

Management, to deal with the risk management practices, policies, procedures and to have adequate oversight on the risks faced by the Bank. The Board, in turn, has set up various Executive-level committees for independent oversight over the entire risk universe of the Bank. (Details of these committees can be referred to of Page 192 of the Directors' Report).

These Committees review various aspects / key risks and ensure that the best-in-class frameworks are in place to oversee day-to-day management of underlying business activities, transactions and associated risks, while dealing with internal and external stakeholders.

The Bank also conducts a detailed Internal Capital Adequacy Assessment Policy ('ICAAP') review exercise, approved by the Board, at least on an annual basis to identify its Risk universe, review its Risk appetite in line with the business strategy and also assess its internal controls and mitigation measures in place for its risks and capital requirements.

## CORE RISKS

### R1 Operational Risk

Operational Risk is the loss to the Bank resulting from inadequate or failed internal processes, people and systems or external events, including loss arising out of legal risk.

#### Impact

Operational Risk may lead to financial loss to the Bank. Additionally, any Operational Risk event may lead to multiple customer grievances and may also cause reputation loss. The Bank may also face legal actions and incur losses due to penalties imposed or compensation paid to customers as required by the legal or regulatory bodies. Operational Risk based events may

also result in loss of data or pose an increased Information Security risk.

#### Governance Framework

Operational Risk is monitored and reviewed by the Operational Risk Management Committee on an overall basis. Further, it is also reviewed by various Executive Committees, i.e., Product Process Approval Committee, Fraud Identification Committee, Accountability Review Committee, Whistle Blower Committee, Disciplinary Committee, and Standing Committee on Customer Service based on the underlying risk.

## Risk Management Governance Framework

### Risk, Management and Mitigation

The Bank has adopted policies, procedures and controls across the organisation to mitigate Operational Risks. These include:

- Robust framework for Operational Risk Management that is commensurate with its size, nature of business activities and complexity of operations
- Outsourcing Risk Management framework which sets forth the oversight and governance structure covering all aspects of outsourcing arrangements
- Comprehensive Product and Process Approval Committee (PPAC) Policy & Framework to standardise the product and process approvals and to evaluate the associated risks comprehensively. PPAC is administered with a specific quorum of SMEs post reviewing the proposal and accordingly approving the same. Products and services approved by the PPAC are presented to the Risk Management Committee and the Board on a quarterly basis
- Business Continuity Plan (BCP) for ensuring resiliency in its business operations and minimising the impact on services during disasters and disruptions. The Bank's Business Continuity Programme is ISO 22301 certified
- The Bank promotes and inculcates a culture of risk and compliance across the entire organisation. As a part of this objective, it strongly advocates awareness of various risks, continuous control improvement, risk mitigation and encourages its employees to promptly identify, escalate, report and resolve operational risk events
- Operational Risk Management and Outsourcing and Business Continuity is supervised by the Operational Risk Management Committee (ORMC) and chaired by the Chief Risk Officer (CRO) at the management level and by RMC at the Board level



## R2 Market (Trading Book / Investments) Risk

Market Risk is the risk of loss in on-balance sheet and off-balance sheet positions arising from movements in market prices due to unfavourable movement in market variables such as Interest rate risk, foreign exchange risk, price risk, volatility risk, etc.

### Impact

Market Risk may have impact on the Bank's financial performance, capital ratios, regulatory compliance, and reputation. It is essential for banks to manage market risk effectively to ensure that they maintain a diversified portfolio, reduce their exposure to risk, and minimise potential losses.

### Governance Framework

Market Risk is monitored and reviewed by the Asset & Liability Management Committee (ALCO).

### Risk, Management and Mitigation

- The Bank manages market risk through a well-defined Market Risk, Investment and Derivative Policies and limit framework
- Additionally, the Bank has a robust limit framework which supports various measures such as Risk Sensitivity, Value-at-Risk, Stop Loss, Stress Testing, Rate Scan etc.
- Additionally, the Bank also has strong processes and systems in place along with independent Middle Office and Market Risk Functions to monitor the risk on an ongoing basis and submit the same with the ALCO and Board

## R3 Credit Risk

Credit Risk is defined as potential losses associated with diminution in the credit quality of borrowers or counter-parties. Losses stem from outright default or a reduction in portfolio value.

### Impact

Credit Risk may have a significant impact on the Bank's financial performance, capital ratios, regulatory compliance and reputation. It is essential for the Bank to manage credit risk effectively to ensure that they maintain a diversified loan portfolio, reduce their exposure to risk, and minimise potential losses.

### Governance Framework

Credit Risk is monitored and reviewed by various committees such as Management Credit Committee (MCC), Executive Credit Committee (ECC), Stressed Asset Management Committee (SAMC), Committee for Classification of Wilful Defaulters & Non Co-operative Borrowers.

### Risk, Management and Mitigation

- The Bank has a distinct architecture of policies, procedures and systems for managing Credit Risk in both its retail and wholesale businesses. Wholesale lending is managed on an individual and portfolio basis. In contrast, retail lending, given the granularity of individual exposures, is managed largely on a portfolio basis across various products and customer segments.
- Furthermore, multiple Credit Risk models are used to appraise and score different customer segments based on portfolio behaviour. In wholesale loans, credit risk is managed by capping exposures based on borrower groups, industry, credit rating grades and country, among others. This is backed by portfolio diversification, stringent credit approval processes and periodic post-disbursement monitoring and remedial measures.



## Risk Management Governance Framework

- Driven by rapid advancements in technology, digitalisation is becoming a key differentiator for customer retention and service delivery in the banking sector. Digital lending enables customers to secure loans at the click of a button in a matter of minutes, if not seconds. However, attendant risks are associated with this, and the Bank has put appropriate checks and balances in place to manage these risks. Such loans are sanctioned primarily to the Bank's existing customers who often avail of multiple products, thus, allowing the Bank ready access to their credit history and risk profile. This facilitates the evaluation of their loan eligibility, and most of the credit checks and scores used by the Bank involve process-based underwriting, which is replicated for digital loans. The Bank has an independent validation unit that minutely assesses the models used to generate credit scores for such loans. These models are monitored, reviewed periodically, back tested, and corrective action is taken when needed
- For wholesale and retail categories, robust front-end and back-end systems are in place to ensure credit quality and minimise loss from defaults. The factors considered when sanctioning retail loans include income, demographics, credit history, loan tenor and banking behaviour. In the Retail Assets space, the Bank has adopted a calibrated and granular asset growth strategy with emphasis on superior risk filters, with an endeavour to increase the proportion of Retail in the Bank's overall advances book
- The Bank has been able to ensure strong asset quality on incremental lending post-March 2020, despite volatile times in the lending environment, by stringently adhering to prudent norms and institutionalised processes

### R4 Asset Concentration Risk

Asset Concentration Risk is defined as the risk arising from any single exposure or a group of exposures with the potential to produce losses large enough (relative to the Bank's capital, total assets, or overall risk level) which can pose a threat to the Bank's health or ability to maintain its core operations.

#### Impact

Asset concentration risk can have a significant impact on the Bank's financial performance, credit quality, regulatory compliance and reputation.

#### Governance Framework

Asset Concentration Risk is primarily monitored and reviewed by Enterprise Risk, Reputation Risk and Model Assessment Committee (ERMCA).

Further, it is also reviewed by various Executive Committees, i.e., Executive Credit Committee (ECC), Management Credit Committee (MCC) and Stressed Asset Management Committee (SAMC).

#### Risk, Management and Mitigation

The Bank monitors concentration in its portfolio across various categories such as, but not limited to, name concentration, concentrations to business groups, rating-wise concentration, sectors (industry groups), correlated industry groups (economic sectors), etc. The Bank uses percentage analysis as well as Normalised Herfindahl-Hirschman Index (HHI) for analysing concentration risk, over and above various concentration limits such as sector caps, rating wise caps etc.

## R5 **Compliance Risk**

### Brief Description of Risk

Compliance Risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation that the Bank may suffer as a result of its failure to comply with laws, regulations, rules applicable to its banking activities.

### Impact

Non-compliance with applicable regulations and laws can result in adverse regulatory action which may have implications on the Bank's business (in case of stringent regulatory action in the form of curtailing expansion/specific business lines etc.). This may also result in reputation risk to the Bank.

### Governance Framework

Compliance Risk is reviewed and monitored by the Apex Management Committee.

### Risk, Management and Mitigation

- There is a Board-approved Compliance Policy in place which is reviewed on an annual basis
- The Compliance function tracks and reviews compliance with regulatory guidelines

## R6 **Reputation Risk**

### Brief Description of Risk

Reputation Risk refers to the potential damage to the Bank's reputation, brand image or public perception due to negative publicity, scandal, adverse regulatory actions or other events. The Risk arises when an organisation's actions or behaviours do not align with its stated values or societal expectation.

### Impact

Reputation Risk can result in a decline in market value, loss of customers, difficulty in attracting and retaining employees, and increased regulatory scrutiny. It may undermine the public's confidence in the Bank leading to Liquidity Risk to the Bank. Reputation Risk can have long-lasting effects and it may be difficult to recover from an extreme event.

### Governance Framework

Reputation Risk is reviewed and monitored by Enterprise Risk, Reputation Risk and Model Assessment Committee (ERMCA).

### Risk, Management and Mitigation

- A senior management level Committee oversees Reputation Risk management and related policy in the Bank with a reputation crisis management action plan. The Committee monitors Reputation Risk quantified through a comprehensive scorecard and recommends necessary actions
- Reputed auditors/internal and concurrent audit framework
- Obtaining continuous customer feedback and oversight by Customer Service Committee of the Board to ensure superior service delivery
- Grievance redressal mechanisms
- New products are reviewed by the senior management, audit and compliance and risk management through PPAC (Product and Process Approval Committee)

## Risk Management Governance Framework

- Tracking adverse news on traditional/social media, analysis and reporting for efficient media management
- Social media policy; Code of Conduct Policy and trainings
- Creating brand image through responsible banking supported through business and financial accolades
- Review of legal cases filed against the Bank to ensure there is no undue reputation risk
- Board-approved KYC / AML policy and monitoring of transactions to ensure that no money laundering is done through the Bank

### R7 ALM Risk

ALM (Asset Liability Mismatch) Risk arises on account of Liquidity Risk and Interest Rate Risk. Liquidity Risk is the risk that a Bank may not be able to meet its short-term financial obligations due to an asset-liability mismatch or interest rate fluctuations. Further, asset liability mismatch may also lead to Interest Rate Risk to the Bank.

#### Impact

ALM Risk may result in the Bank not being able to meet obligations to its depositors and creditors on a timely basis, which can result in severe reputational risk and a run on the Bank, thereby resulting in insolvency. Improper management of Liquidity Risk will also result in the Bank having to borrow at higher rates to meet its obligations, thereby eroding its profitability and thereby its capital. Excess interest rate risk may also result in erosion of profitability when interest rates move adversely.

#### Governance Framework

ALM Risk is reviewed and monitored by Asset & Liability Management Committee (ALCO).

#### Risk, Management and Mitigation

- The Bank has an asset liability management policy for Liquidity Risk and Interest Rate Risk management that is implemented, monitored and periodically reviewed by the ALCO
- As part of this process, the Bank has various Board-approved limits for both Liquidity and Interest Rate Risks. While the maturity gap and stock ratio limits help manage liquidity risk, net interest income and market value impacts help mitigate Interest Rate Risk. This is reinforced by a comprehensive Board-approved stress testing framework covering Liquidity and Interest Rate Risk
- The Bank also has a detailed Contingency Funding Plan along with various triggers for the extreme scenario
- The Bank conducts various studies to assess the behavioural pattern of non-contractual assets and liabilities and embedded options available to customers that are used while managing maturity gaps. The Bank also has the necessary framework to manage intra-day Liquidity Risk
- The Bank has been maintaining Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) in line with extant regulatory guidelines. Further, the Bank has internal thresholds for these ratios more stringent than the regulatory minimum
- To avoid Liquidity Risk arising out of excess depositor concentration, the Bank has a strong mechanism to track top depositor concentration, bulk and retail depositor concentration which internal policy limits as well as a robust monitoring and reporting process

## R8 Strategic Risk

Strategic Risks are those that undermine the organisation's capability to implement business strategy or deliver expected outcomes.

### Impact

Delay or failure in achieving the Bank's strategies and / or expected business and financial performance outcomes, which will ultimately impact growth.

### Governance Framework

Aspects pertaining to Strategic Risk are reviewed and monitored by the Apex Management Committee.

### Risk, Management and Mitigation

Strategic Risk management at the Bank is not viewed as a task that is performed in isolation. It is ingrained in the Bank's day-to-day processes as well as our decision-making and governance structures. All Group entities conduct annual

business and capital planning exercise individually based on business strategy and risk appetite. The regulatory guidelines are also considered while formulating the business strategy, as are issues of talent, organisational culture, risk management and governance. The plan is challenged internally in an iterative process with respect to its assumptions, credibility and integrity. The strategy is reviewed and approved by the Board after deliberation and discussion.

The Top Management and the Boards of the respective entities review performance vis-à-vis business plans and Strategic Risks periodically to ensure adequate oversight of implementation and recommend course corrections, if required. The Bank periodically reviews performance against its strategic objectives and business plans through its Apex Management Committee. Performance on various financial parameters and strategic objectives is reviewed by the Bank's Board on a quarterly basis.



## Risk Management Governance Framework

### R9 **Attrition Risk**

Attrition Risk is the potential of losing employees from the organisation due to resignation or retirement.

#### Impact

Attrition may impact the Bank in several ways such as lowering the morale, reducing productivity and also impacting the Bank's culture. Higher attrition is also linked to higher costs associated with replacing, onboarding and training the human assets. This may additionally result in Operational Risk due to lack of adequate skilled manpower to perform critical activities.

#### Governance Framework

Attrition Risk is reviewed and monitored by the Apex Management Committee.

#### Risk Management and Mitigation

- Employee-friendly policies such as hybrid working models, along with flexible working hours
- Proactive identification and elevation of top-performing employees
- Attractive incentive capping mechanisms
- Mechanisms to ensure smooth assimilation of employees
- Quick addressal of employee grievances

### R10 **Model Risk**

Model Risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

#### Impact

Model Risk can lead to financial loss, poor business and strategic decisions or damage to the Bank's reputation.

#### Governance Framework

Model Risk is reviewed and monitored by the Enterprise Risk, Reputation Risk and Model Assessment Committee (ERMC).

#### Risk, Management and Mitigation

The Bank has in place a Board-approved Model Risk and Governance policy outlining various aspects such as guidelines for Model development, documentation, validation and Model performance monitoring as well as assessing Model materiality. The Bank's Models are developed adhering to policy guidelines and are validated before implementation. Further, detailed documentation for all the Bank's models is maintained and periodic performance review/validation and back testing is conducted.

## EMERGING RISKS

### R11 Climate Risk

Climate risks are emerging long-term risks comprising of:

**Physical Risks:** Direct physical impacts of climate change ranging from acute risks (such as extreme weather events) to chronic risks (like gradual rise in sea level and temperature).

**Transition Risks:** Risks arising from external efforts to address climate change such as regulatory and policy changes, technological advancement or shifts in investor sentiment and consumer behaviour.

#### Impact

Increase in frequency and severity of climatic events may adversely affect the Bank's infrastructure, employees and client performance, and therefore, the Bank's revenues and costs.

Stricter environmental regulations and policy changes may impact operations / strategy of the Bank and/or its clients.

#### Governance Framework

Aspects pertaining to Climate Risk are reviewed and monitored by various Board-level and Executive-level committees:

##### Board-level Committees:

##### Corporate Social Responsibility & Environmental Social and Governance Committee (CSR&ESG Committee):

The CSR & ESG Committee of the Board oversees and reviews the decisions of the Bank's Sustainability Council and makes recommendations to the Board on the Bank's overall ESG strategy and performance. The Committee also oversees and reviews the Bank's governance frameworks and practices to monitor, assess and mitigate climate risks and guides the Bank's efforts to align its business towards low-carbon transition. The Committee

reviews the Bank's climate strategy and initiatives on a bi-annual basis.

##### Risk Management Committee (RMC):

The RMC covers the entire gamut of risk management for the organisation as a whole. This includes promoting a prudent risk culture in the Bank, assessing the risk universe and monitoring risk profile of the Bank, including sustainability and ESG-related risks (as outlined in the ICAAP).

##### Executive-level Committees:

##### Sustainability Council:

The Sustainability Council, chaired by the MD & CEO, is responsible for developing and reviewing the Bank's ESG and climate strategy. This includes overseeing the implementation of the Bank's sustainability agenda, setting targets, and monitoring the ESG performance. The Sustainability Council meets twice a year to review climate risks and opportunities and provide guidance on the Bank's decarbonisation strategy, including reducing carbon intensity of its portfolio.

##### Enterprise Risk, Reputation Risk, Model Assessment Committee (ERMC):

As an Executive level committee, ERMC is responsible for overseeing and ensuring that all material risks are identified, measured, monitored and controlled in accordance with the Bank's risk appetite, as well as within the regulatory guidelines. ERMC also oversees the Bank's preparedness for mapping and managing the non-financial risks of its operations, keeping in focus their impact on the Bank's reputation and goodwill. In the identification and assessment of material risks during the Internal Capital Adequacy Assessment Process, climate risk has been recognised as one of the key material risks under Pillar II. Additionally, the Bank also has KPI for Climate Risk as a part of its risk appetite statement, in line with the framework stipulated by the Bank's Sustainability Council.

## Risk Management Governance Framework

### Operational Risk Management Committee (ORMC):

The Bank has implemented a comprehensive framework for the management of Operational Risk, including Outsourcing Risk and Business Continuity Planning, commensurate with its size, nature of business activities and complexity of its operations. The framework includes a proactive forward-looking approach, and adoption of industry best practices to enable operational resilience and minimal Operational Risk events and losses. The Operational Risk Management Committee (ORMC) which is chaired by the Chief Risk Officer and consists of members of the top and senior management, is responsible for review and implementation of the frameworks to identify, measure, evaluate, monitor, report, and control or mitigate risks pertaining to Operational Risk Management, Outsourcing and Business Continuity. The Committee is also responsible to review and understand future changes, threats and concur on areas of high priority with related risk mitigation strategy.

Operational Risk includes risks emanating due to service disruption and/or direct physical impacts of climate change which may range from acute risks (such as extreme weather events) to chronic risks (like gradual rise in sea level and temperature). In order to tackle such a situation, the Bank has in place a comprehensive Business Continuity Plan, which is a proactive planning process that ensures critical services or products are delivered during a disruption. The plan is ISO 22301 certified, a recognised International Standard for Business Continuity to effectively address these possible service disruptions.

### Business Units involved in Climate Action:

#### Sustainable Finance (SF) Unit:

The SF Unit co-develops and implements the Bank's sustainability strategy and works with sustainability SPOCs from business units and control functions across the Bank to integrate ESG and climate parameters into the business.

#### Risk Management Unit:

YES BANK has instituted a robust risk management framework which is implemented by its risk management function reporting into the

Chief Risk Officer. The responsibility of overall risk management lies with the Board of Directors and four Board-level committees. Together with the management, they ideate, implement and review policies, frameworks, and systems for effectively managing the Bank's existing and emerging risks, including climate risks.

#### Enterprise Risk Management (ERM) Unit:

YES BANK's ERM Unit is responsible for the implementation of the ERM framework, risk aggregation, stress testing and risk based pricing. The ERM unit is responsible for formulation of the Bank's Internal Capital Adequacy Assessment Process (ICAAP), risk assessment of Pillar II risks, such as Reputation Risk, Compliance Risk, Concentration Risk, and Climate Risk, among others, as well as formulation of the Bank's Risk Appetite Statement and tracking periodic performance against various KPIs outlined in the Risk Appetite statement.

#### Environmental and Social (E&S) Risk Team:

A dedicated E&S Risk team, which is a part of the Credit Risk Management Unit of the Bank, undertakes environmental and social assessment (preliminary and detailed due-diligence) of loans funded by the Bank in line with the Bank's Environment and Social Policy (ESP). The ESP helps to ensure that all activities are environmentally and socially prudent and compliant with the regulatory, environmental, and social standards, as applicable or likely to be in force in the future. Climate-related indicators have been recently added for data collection and qualitative climate assessment/categorisation for project loans and project-related corporate loans above the sanctioned amount of USD 5 million.

#### Other business units:

There are various other specialised units across the Bank such as Infrastructure Management Team; Human Capital Management; Operations & Service Delivery; Business and Digital Technology Solutions Group; Retail Banking and Branch Banking, amongst others, that work closely with the SF team to integrate sustainability principles into their business processes with an aim to benchmark the Bank's performance with global best practices in ESG and climate action.

### Risk, Management and Mitigation

The Bank has adopted policies, procedures and controls across the organisation to mitigate climate-related risks. These include:

- Instituting a robust Business Continuity Plan and Disaster Recovery Plan
- Mitigating greenhouse gas emissions of its operations
- Accelerating climate finance
- Maintaining a well-diversified portfolio
- Broadening of environment and social risk management of the Bank's lending to include climate risk aspects

- Measuring and reducing financed emission of carbon intensive sectors in line with decarbonisation scenarios
- Thought leadership and policy advocacy at national and global level, including engaging and working with clients, peers, regulators for accelerating low-carbon transition

Further details on this can be accessed in the Environment section on Page 112 of the Report.

### R12 Information Security Risk

Information Security Risk is the risk of cyber-attacks on the Bank's systems via hacking, phishing, ransomware or other means.

#### Impact

Information Security risk may result in the disruption of its services or the theft or leak of sensitive internal data or customer information leading to Reputation Risk, Operational Risk, Financial Loss, Legal Risk, Regulatory Displeasure, and Data Loss.

#### Governance Framework

Information Security Risk is monitored and reviewed by the Security Council on an overall basis. Further, it is also reviewed by Fraud & Suspicious Transaction Monitoring Committee.

#### Risk, Management and Mitigation

- There are well defined policies, frameworks, procedures, templates, and risk assessment methodology for IT risk management. The framework enables risk assessment of IT solutions, entities providing IT and related services and new technology and digital implementation
- Every specific cyber threat, including data privacy, is assessed based on a framework (identify, prevent/protect, detect, respond and recover), and controls that include firewalls, anti-malware, anti-advance persistent threats, data loss prevention, Red Teaming, intrusion prevention/detection, 24/7 security operation centre and forensics solutions have been put in place

- The General Data Protection Regulation (GDPR) has also been implemented across relevant operations
- The Bank has put in place a governance structure including a Board-level committee which provides guidance and direction on information security. The Bank also has a Security Council, which is a management-level committee that is constituted with cross-functional representation at the leadership level and meets quarterly to review the implementation of the information security management system in the Bank
- The Bank has adopted Global Information Security Standard ISO 27001:2013 and implemented Board-approved information security and cyber security policies to protect its information assets. The Bank implements a multi-layered defence to protect against cyber-attacks and adopts a cyber security resilient framework to manage Cyber Security risk. The Framework rides on these four pillars: Protect, Detect, Respond, and Recover. To monitor Cyber Security risks, the Bank's Security Operations Centre (SOC) maintains vigilance over actionable threat intelligence and suspicious network traffic and events to detect any anomalies and help respond to potential incidents promptly
- The Bank raises awareness of global cyber security threats among the employees, customers and other stakeholders, and issues guidance on using the digital platforms safely and securely



# Stakeholder Engagement and Materiality Assessment

As India's sixth largest private sector Bank, YES BANK touches a wide array of stakeholder groups. From its 27,517 strong family of YES BANKers who represent and uphold its core values, to the millions of customers who trust and use its financial services every day, each group holds a significant stake and contributes to the Bank's journey of value creation. Given their extensive

interaction with and influence on the Bank's day-to-day activities, YES BANK has identified the following nine groups as key stakeholders to engage with on a continual basis. The Bank uses a combination of structured, and need-based engagement mechanisms to reach out to its key stakeholder groups, address their grievances and incorporate their feedback into its overall business strategy.

## The Bank's key stakeholders and mechanisms of engagement



### Shareholders & Investors

Means of Communication	Frequency
Annual Report	Annual
Annual General Meeting	Annual
Company Website	Continuous
Analyst Calls	Quarterly
Investor Meets & Road Shows	Periodic
Annual CDP Disclosure	Annual
Response to ESG research and ratings agencies	Periodic
Press Releases	Periodic
Communication to Stock Exchanges, SEBI Complaints Redress System (SCORES)	Eventual/ Periodic
Bank's Registrar & Transfer Agents	Periodic

#### Key concerns/ expectations

- Profitability and value creation
- ESG performance

#### Our response

- YES BANK achieved its second straight full year profitability in FY 2022-23
- Operating Profit at ₹ 3,183 crore (up 9.2% Y-O-Y)
- Highest ESG Score of 68 out of 100, amongst Indian Banks in S&P Global CSA
- Highest rated Indian Bank for climate disclosures with a CDP rating of 'A-' (Leadership Band)



### Employees

Means of Communication	Frequency
Employee Service Desk - grievance redressal platform	Ongoing
Interactive employee engagement	Eventual
Employee wellness & activity platform	Permanent
YES School of Banking	Permanent
My Learning@YES - internal e-learning platform	Permanent
Employee Performance Management	Annual

#### Key concerns/expectations

- Equal opportunity employment
- Gender equality
- Non-discrimination
- Training & growth
- Well-being

#### Our response

- Policy of equal opportunity employment
- Diversity and Inclusion Council to accelerate D & I initiatives across the Bank
- Gender diversity enhanced to 21% from in line with target to achieve 25% gender diversity by FY 2024-25
- Gender agnostic compensation philosophy
- 26,931 employees trained through 6,651 programmes by YES SCHOOL OF BANKING
- Annual performance review for 100% eligible employees
- Benefits including Health insurance, Accident insurance, Maternity benefits and Day Care facilities for all permanent employees



## Regulatory Bodies

Means of Communication	Frequency
Mandatory filings with regulators including RBI and SEBI (Stock Exchanges)	Periodic & Eventual
Engagement at banking platforms and meetings	Eventual

### Key concerns/ expectations

- Compliance and governance

### Our response

- Constituted an eminent 13-member Board comprising 7 independent directors
- Strengthened governance, compliance and underwriting frameworks by demarcating roles and responsibilities
- Enhanced independence and accountability of Risk/ Compliance and Audit functions



## Customers

Means of Communication	Frequency
Branch banking	Permanent
YES Touch - Customer service platform	Permanent
Financial Education/Literacy initiatives	Eventual
Business Correspondent network and Bottom of the Pyramid banking	Permanent
Online and mobile initiatives towards digital banking	Permanent
Centralised and branch-based Customer Care centres	Permanent
Customer satisfaction surveys	Annual

### Key concerns/ expectations

- Customer service
- Quality products and services
- Grievance redressal

### Our response

- Full product suite catering to all customer segments HNI, affluent, NRIs, semi-urban and rural ecosystem
- Dedicated physical RMs for relationship deepening; use of AI, data analytics and business intelligence to enhance efficiency and customer experience
- 9-point improvement in Retail Banking NPS over last year
- Market leading digital offerings – 99.45% success rate on UPI transactions/ 2<sup>nd</sup> largest player in Micro ATMs
- 3-level customer Grievance Redressal Mechanism



## Industry & Peers

Means of Communication	Frequency
Industry and trade associations such as CII, FICCI & IBA	Annual
Memberships to national and international associations, such as UNEP Finance Initiative	Permanent
Signatory to international protocols including UN Global Compact, CDP	Annual

### Key concerns/ expectations

- Knowledge sharing/ Partnerships
- Opportunities to collaborate

### Our response

- Membership at top trade and industry chambers and associations
- Knowledge partnerships with FICCI; workshops with CII on various aspects of food agri and e-mobility
- Associated with IBA as part of its Standing Committee in ESG



## Vendors

Means of Communication	Frequency
Online procurement portals	Permanent
Supplier Sustainability Workshops	Eventual
Vendor Communications by Strategic Procurement Unit	Eventual

### Key concerns/ expectations

- Business opportunities
- Responsible supply chain practices

### Our response

- ESG Code of Conduct for Suppliers
- Survey on ESG preparedness/ ESG awareness workshops covering 60+ strategic vendors accounting for nearly 85% of the Bank's procurement function-led spend
- SAP Ariba e-Sourcing Platform for improved fairness and transparency in sourcing processes
- 'Corporate Whistle-blower Initiative' (CWI) - independent online reporting service for secure, confidential communication of vendor concerns

## Stakeholder Engagement and Materiality Assessment



### Media

Means of Communication	Frequency
Press Releases & Media coverage	Eventual
Interviews of the MD & CEO, and top management	Eventual
Bank's digital assets including website	Eventual
<b>Key concerns/ expectations</b>	
<ul style="list-style-type: none"> <li>Accurate information/ disclosures</li> </ul>	
<b>Our response</b>	
<ul style="list-style-type: none"> <li>Press releases/ Interviews with top management</li> <li>Voluntary ESG disclosures aligned to benchmark disclosure frameworks</li> </ul>	



### Community

Means of Communication	Frequency
Employee Volunteering through our institutionalised EVOLVE initiative	Periodic
Beneficiary interactions as part of CSR project monitoring	Periodic
Capacity building of CSR implementation partners	Periodic
Media & Press Releases	Eventual
Thought Leadership forums	Eventual
Annual Report	Annual
<b>Key concerns/ expectations</b>	
<ul style="list-style-type: none"> <li>Opportunities for inclusive growth</li> </ul>	
<b>Our response</b>	
<ul style="list-style-type: none"> <li>Target to create employability and entrepreneurship opportunities for 1,00,000 youth by 2026 through YES Foundation</li> <li>5,000+ underprivileged youth skilled since 2021 by providing skills-based training for market-oriented jobs</li> <li>Enabled entrepreneurship opportunities, enhanced earning capability for 30,000+ village youth with a focus on farm productivity, farm extension, handicrafts, among others</li> </ul>	



### Academia

Means of Communication	Frequency
University and School Relationship Management (USRM)	Permanent
YES Professional Entrepreneurship Program (Y-PEP) - flagship campus recruitment program and YES Emerging Professional Entrepreneurship Program (Y-EPEP)	Annual
Knowledge partnerships	Eventual
<b>Key concerns/ expectations</b>	
<ul style="list-style-type: none"> <li>Knowledge sharing</li> <li>Internship/ employment opportunities</li> </ul>	
<b>Our response</b>	
<ul style="list-style-type: none"> <li>University &amp; School Relationship Management program (USRM) – a structured program engage students from top business schools of India</li> <li>135 Y-PEPs shortlisted in FY 2022-23</li> <li>87 summer interns joined the Bank through the (Y-EPEP), summer internship programme</li> </ul>	

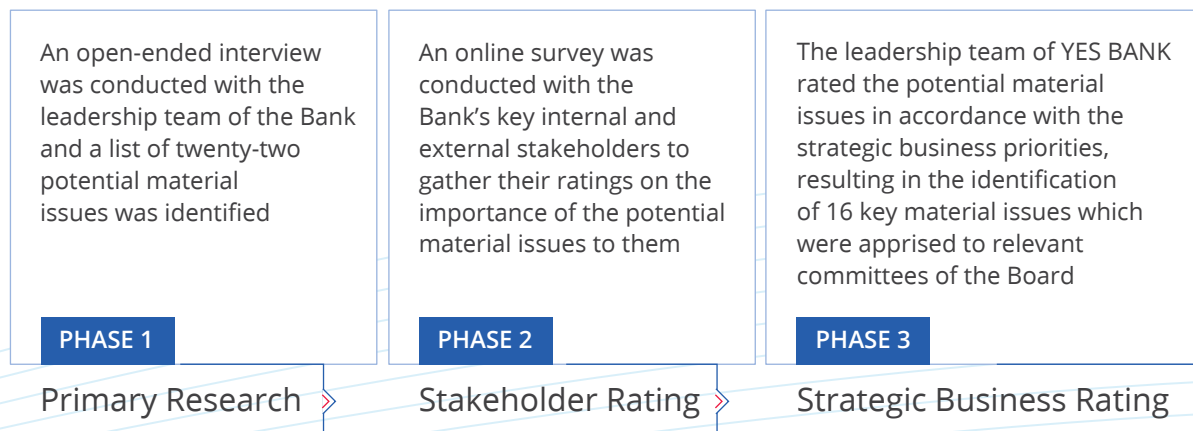
## Identification of material topics

In FY 2020-21, the Bank carried out an extensive materiality assessment process in consultation with its internal and external stakeholders to identify 16 key material topics that could impact its ability to create value in the short, medium and long term. The critical inputs received from these engagements would allow the Bank to recalibrate its strategy, serve as an opportunity to address emerging risks and leverage opportunities to future-proof its business.

### 16 Material Topics identified in FY 2020-21

<b>1</b> Governance	<b>5</b> Communication & Disclosures	<b>9</b> Resilience and Recovery	<b>13</b> Culture of Compliance
<b>2</b> Value System	<b>6</b> Credit Quality	<b>10</b> Liability Generation	<b>14</b> Asset Quality
<b>3</b> Cost Management	<b>7</b> Environmental Sustainability	<b>11</b> Digital Leadership	<b>15</b> Collaborative and Entrepreneurial Work Culture
<b>4</b> Market-aligned Compensation	<b>8</b> Long-Term Vision & Mission	<b>12</b> Customer Experience	<b>16</b> Brand Image

The process for identifying key material topics was carried out in three phases, shared below:



## Stakeholder Engagement and Materiality Assessment

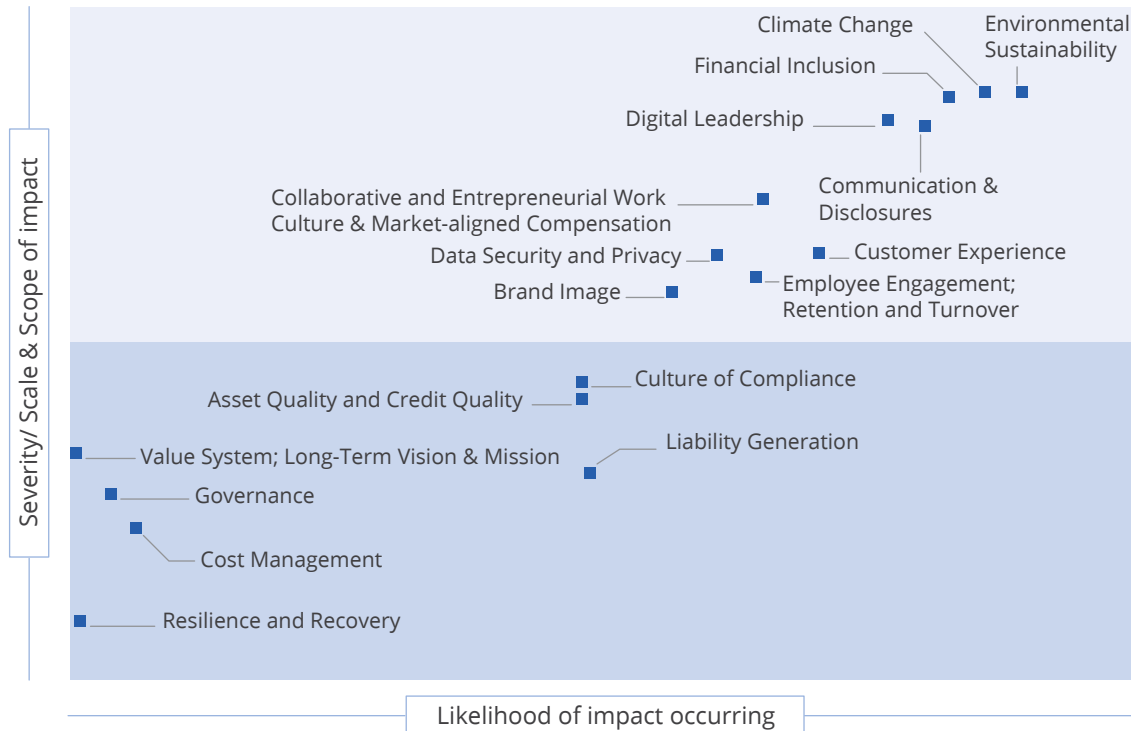
### Review of material topics

This year, the Bank undertook a review of its key material topics to identify changes in their impacts and materiality. The Bank identified actual and potential, positive and negative impacts of its material issues through a scoping exercise involving its top management. The impacts identified were assessed

and rated for their severity, scale & scope, likelihood and significance. The review and impact assessment also resulted in the identification of 4 new material topics – climate change; financial inclusion; data security and privacy and employee engagement; retention and turnover.



## Materiality Matrix based on significance of impacts



- Four new Material Topics have been identified - "Climate Change"; "Financial Inclusion"; "Data Security and Privacy"; "Employee Engagement; Retention and Turnover"
- Similar topics from the list of the previous 16 material issues were clubbed together as part of the review to enhance coherence - "Collaborative and Entrepreneurial Work Culture" & "Market-aligned Compensation" have been grouped into one material topic; "Value System" and "Long Term Vision & Mission" have been grouped into one material topic; "Asset Quality" and "Credit Quality" have been grouped into one material topic
- Significance rating for a negative impact was ascertained by the product of its severity score (scale of 1-3: 1 - minimal impact which can be corrected in the short-term; 2 - moderate impact which can be corrected in the long-term; and 3 - maximum impact which is difficult to correct within a given timeframe) and its likelihood of occurrence (scale 1-3: 1 - impact is unlikely to occur; 2 - impact is likely to occur; 3 - will occur)
- Significance rating for positive impacts was ascertained by the product of its scale/ scope (scale of 1-3: 1 - minimally beneficial with low coverage of beneficiaries; 2 - moderately beneficial with modest coverage of beneficiaries; and 3 - highly beneficial with large coverage of beneficiaries), and its likelihood of occurrence (scale 1-3: 1 - impact is unlikely to occur; 2 - impact is likely to occur; 3 - will occur)
- The mean of average score of 4 was ascertained to be the significance threshold. Topics corresponding to impacts rated 4 or above were identified as most significant material topics

# Stakeholder Engagement and Materiality Assessment

## List of material topics based on significant impacts

Material Topic	Description	Impact	Positive/ Negative	Actual/ Potential	Involvement
<b>M1</b> <b>Climate Change</b> Capitals / SBOs / Risks Impacted C3 Natural C5 Social & Relationship C6 Intellectual R11 Climate SBO10 People, Processes, Tech & ESG	The Bank's ability to address the risks and opportunities posed by climate change and to adapt its business by building climate resilience	<ul style="list-style-type: none"> <li>Increase in the frequency and severity of extreme weather and climatic events may adversely affect bank's infrastructure, employees and client performance and therefore the bank's revenues and costs</li> <li>Stricter environmental/ climatic regulations and policy changes may impact operations / strategy of the bank and/ or its clients</li> <li>The Banking sector has a crucial role to play in energy transition, climate adaptation and the shift to a low-carbon economy</li> <li>According to an independent study by the Council on Energy, Environment and Water, (one of Asia's leading not-for-profit policy research institutions), India would need cumulative investments of USD 10.1 trillion to achieve net-zero emissions by 2070 to help decarbonise India's power, industrial, and transport sectors</li> </ul>	Negative/ Positive	Potential	This topic relates to the Bank's own activities and its Business Relationships
<b>M2</b> <b>Environmental Sustainability</b> Capitals / SBOs / Risks Impacted C3 Natural C4 Manufactured C5 Social & Relationship C6 Intellectual R11 Climate SBO7 Distribution & Footprint SBO10 People, Processes, Tech & ESG	The Bank's ability to carry out its business in a sustainable way by minimising its consumption of natural resources, limiting its negative environmental & social impacts and risks and improving its overall environmental performance	<ul style="list-style-type: none"> <li>The Bank uses resources such as non-renewable energy and paper to run its operations which can have negative environmental impacts such as emissions and waste.</li> <li>The Bank is also subject to environment and social (E&amp;S) risks associated with its lending activities</li> </ul>	Negative	Potential	This topic relates to the Bank's own activities and its Business Relationships
<b>M3</b> <b>Financial Inclusion</b> Capitals / SBOs / Risks Impacted C1 Financial C4 Manufactured C6 Intellectual R8 Strategic SBO2 Deepening Relationship SBO3 Retail Asset Growth SBO4 SME Growth	The Bank's commitment and initiatives towards enhancing the reach and access of financial services and financial literacy amongst the unbanked and underbanked populations of rural and semi-urban India	<ul style="list-style-type: none"> <li>Financial inclusion is a prerequisite to inclusive growth and can play a vital role in boosting income generation and employment opportunities amongst vulnerable communities such as rural women, farmers, and other underbanked segments</li> <li>The banking sector's initiatives towards financial inclusion and financial literacy can also help protect vulnerable communities from falling prey to unregulated money lenders and a cycle of overindebtedness</li> </ul>	Positive	Actual/ Potential	This topic relates to the Bank's own activities and its Business Relationships

Bank's Policies/ Commitments	Mitigant/ Remedies/ Actions	Outcome
<p>The Bank has undertaken various climate commitments and reports on its progress - refer to page 115 for the Bank's climate commitments</p>	<ul style="list-style-type: none"> <li>■ The Bank has undertaken a target to reduce GHG emissions from its operations to a net zero by 2030</li> <li>■ YES BANK is the only Indian banking signatory to global climate commitments such as UNEP FI's Principle for Responsible Banking and Collective Commitment to Climate Action</li> <li>■ The Bank has instituted a robust climate governance structure for strategically integrating climate considerations into its business, with oversight from Board level and Executive level committees</li> <li>■ The Bank helps in mobilising finance towards climate-aligned sectors such as renewable energy and Electric Vehicles</li> <li>■ In FY 2022-23, the Bank undertook further steps to align its portfolio to global decarbonisation pathways by measuring financed emissions and undertaking targets to align its electricity generation sector portfolio with the SBTi well below 2 degree scenario, striving for 1.5 degree scenario</li> <li>■ The Bank also enhanced its climate disclosures and was awarded an 'A' rating by Carbon Disclosure Project (CDP) for its 2022 Climate Change disclosures</li> </ul>	<p><b>Internal Operations:</b></p> <ul style="list-style-type: none"> <li>📈 Reduced energy intensity (per FTE) by 11.57% Y-O-Y</li> <li>📈 Enhanced share of renewable energy in Bank's electricity mix to ~11%</li> <li>📈 Achieved 13.6% reduction in Scope 1 &amp; Scope 2 emissions (23.61%) reduction in emission intensity (per FTE) Y-O-Y</li> <li>📉 Energy consumption increased by 2.26% Y-O-Y, due to the addition of new facilities</li> </ul> <p><b>Portfolio:</b></p> <ul style="list-style-type: none"> <li>📈 Financed solutions of ₹ 1,482 crore for RE/ clean energy projects totalling about 264 MW</li> <li>📈 Doubled book size of EV financing to ₹ 120.41 crore</li> <li>📈 35% reduction in financed emission intensity of electricity generation funding</li> <li>🔄 Promotes RE adoption amongst SMEs through YES Kiran loans, a financing scheme that enables SMEs to instal rooftop solar panels</li> <li>📈 685 ktCO<sub>2</sub>e annual attributable emissions avoided through the Bank's RE book</li> </ul>
<ul style="list-style-type: none"> <li>■ The Bank has adopted an Environmental Management Policy (EMP) that guides the implementation of its bankwide Environmental Management System (EMS) - the Bank's EMP can be accessed here: <a href="https://www.yesbank.in/pdf?name=yes_bank_environmental_management_policy_summary_pdf.pdf">https://www.yesbank.in/pdf?name=yes_bank_environmental_management_policy_summary_pdf.pdf</a></li> <li>■ The Bank has also adopted an Environment and Social Policy (ESP), which provides a structured approach toward responsible lending - the Bank's ESP can be accessed here: <a href="https://www.yesbank.in/pdf?name=ybl_esp_summary_pdf.pdf">https://www.yesbank.in/pdf?name=ybl_esp_summary_pdf.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank's ISO 14001 certified, EMS is designed to monitor and minimise the negative environmental risks and impacts of the Bank's operations by driving continual improvements in areas such as natural resource conservation, responsible waste management, sustainable supply chain and emissions reduction</li> <li>■ The Bank has instituted an Environment and Social Risk Management System (ESMS) to assess and mitigate E&amp;S risks of its financing activities, centred around its Environment and Social Policy (ESP). The policy integrates E&amp;S risks management into the Bank's overall credit risk assessment framework. The Bank also pre-screens all its lending transactions through its 'list of prohibitive activities' which includes sectors or activities that have highly negative impact from an E&amp;S lens</li> </ul>	<ul style="list-style-type: none"> <li>📈 In FY 2022-23, the Bank's EMS, covering 833 facilities, was certified ISO 14001:2015 compliant, for the tenth year in a row</li> </ul>
<p>YES BANK is committed to playing a key role in extending the reach and access of financial services amongst the unbanked, underbanked and vulnerable communities</p> <p><b>The Bank has undertaken two financial inclusion targets:</b></p> <ul style="list-style-type: none"> <li>■ To realise 20% Year on Year (Y-O-Y) increase in number of women beneficiaries till FY26 from 7.6 lakh women beneficiary in FY23</li> <li>■ To achieve 25% Y-O-Y increase in annual disbursements to women microfinance borrowers till FY26 on a baseline of ₹ 1,495 crore in FY23</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank has established two dedicated divisions – Inclusive and Social Banking (ISB) and Microfinance Banking (MFB) – for implementing its financial inclusion initiatives</li> <li>■ The Bank's ISB division, through its flagship group-lending programme, YES LEAP provides financial services to women, Joint Liability Groups (JLGs) and Self-Help Groups (SHGs) through Corporates/MFIs as BCs</li> <li>■ Through AePS and Micro ATMs, the Bank plays a vital role in facilitating remittance and cash withdrawals in rural geographies</li> </ul>	<ul style="list-style-type: none"> <li>📈 Rural portfolio spread across ~225 districts in 15 states with a total advances at ₹ 4,836 crore</li> <li>📈 ₹ 1,142 crore disbursed to women microfinance borrowers in FY23</li> <li>📈 Over 4,300 accounts opened under PMJDY</li> <li>📈 1,798 Financial Literacy Camps conducted in rural India</li> </ul>



## Stakeholder Engagement and Materiality Assessment

Material Topic	Description	Impact	Positive/ Negative	Actual/ Potential	Involvement
<b>M4</b> <b>Digital Leadership</b> Capitals / SBOs / Risks Impacted C4 Manufactured C6 Intellectual R12 Information Security SBO2 Deepening Relationship SBO6 Cards & Digital SBO8 Transaction Banking	The Bank's ability to consolidate its market leadership in digital banking and ensure it is future-ready through continued investments in technology and talent	By strengthening its digital leadership, YES BANK cannot only reduce the environmental impacts of its services but also contribute to India's sustainable development goals of Digital India and financial inclusion	Positive	Potential	This topic relates to the Bank's own activities and its Business Relationships
<b>M5</b> <b>Communication &amp; Disclosures</b> Capitals / SBOs / Risks Impacted C3 Natural C5 Social & Relationship R5 Compliance R6 Reputation SBO10 People, Processes, Tech & ESG	Establishing a regime of open, transparent, authentic and sincere communication and proactive disclosures across stakeholder groups	Enhanced disclosures help inform stakeholders about the Bank's strategy and performance on key issues and ensures the Bank's readiness to comply with emerging regulatory disclosure requirements	Positive	Potential	This topic relates to the Bank's own activities
<b>M6</b> <b>Collaborative and Entrepreneurial Work Culture &amp; Market-aligned Compensation</b> Capitals / SBOs / Risks Impacted C2 Human R9 Attrition SBO10 People, Processes, Tech & ESG	<ul style="list-style-type: none"> <li>The Bank's ability to create a work culture that espouses fairness, empathy and independence. A work environment that encourages cross-silo collaboration and professional entrepreneurship</li> <li>The Bank's ability to build a market-competitive compensation system for employees, on par or better than peers in the Banking and Financial sector and the emerging FINTECH space</li> </ul>	A positive work culture enables employees to achieve holistic growth, development, and well-being	Positive	Potential	This topic relates to the Bank's own activities

Bank's Policies/ Commitments	Mitigant/ Remedies/ Actions	Outcome
<p>Leadership in the digital payment space is one of the Bank's strategic business objectives and the Bank continues to steadily invest towards monetisation of these capabilities</p>	<ul style="list-style-type: none"> <li>■ YES BANK has earned the highest market share on progressive payment platforms</li> <li>■ Through its Aadhaar Enabled Payment Scheme (AePS), YES BANK provides critical financial services to rural and semi-urban customers. Through its Micro Automated Teller Machines (MATM), the Bank plays a vital role in facilitating cash withdrawal in rural geographies</li> <li>■ The Bank processes nearly 1 out of every 3 digital transactions in the ecosystem</li> </ul>	<p><b>The Bank's leadership market share* across digital payment platforms:</b></p> <ul style="list-style-type: none"> <li>📈 NEFT: 17.7% (By Volumes Outward)</li> <li>📈 AEPS: 22.8% (Based on 'off us' transactions)</li> <li>📈 UPI: 38.3% (by Transaction volumes)</li> </ul> <p>*for Q4 FY 2022-23</p>
<ul style="list-style-type: none"> <li>■ The Bank has undertaken various climate commitments and reports on its progress - Refer to the Climate Strategy, Risk and Transition section on page 115 for the Bank's climate commitments</li> <li>■ The Bank has also proactively publishes key policies related to its ESG practices on its website - refer to the link: <a href="https://www.yesbank.in/about-us/sustainability-at-yes-bank/esg-disclosures/esg-policies">https://www.yesbank.in/about-us/sustainability-at-yes-bank/esg-disclosures/esg-policies</a></li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank has proactively enhanced disclosures on Anti-Bribery &amp; Anti-Corruption Policy; Environment &amp; Social Risk Management System; Human Rights Policy; Equal Opportunity Policy; Tax Strategy; Gender Diversity initiatives; etc.</li> <li>■ The Bank continues to proactively publish sustainability disclosures (11<sup>th</sup> year) aligned to Global Reporting Initiative; Taskforce on Climate-related Financial Disclosures (TCFD) recommendations; Integrated Reporting Framework</li> </ul>	<p><b>YES BANK has achieved the highest ratings amongst Indian banks for its proactive ESG and climate disclosures:</b></p> <ul style="list-style-type: none"> <li>📈 S&amp;P Global CSA: highest ESG score of 68 out of 100, amongst Indian banks</li> <li>📈 CDP: rated 'A-' (Leadership Band) - highest rating amongst Indian Banks for climate disclosures</li> </ul>
<ul style="list-style-type: none"> <li>■ The Bank has instituted an Equal Opportunity policy that prevents discrimination on the grounds of age, colour, disability, marital status, nationality, race, religion, sex, sexual orientation, and aims to treat all employees and job applicants, equally. The Bank's Equal Opportunity policy can be accessed here: <a href="https://www.yesbank.in/pdf?name=eop.pdf">https://www.yesbank.in/pdf?name=eop.pdf</a></li> <li>■ In line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act &amp; Rules 2013", the Bank has instituted a policy on 'Prevention &amp; Prohibition of Sexual Harassment at Workplace'. The Bank's POSH policy can be accessed here: <a href="https://www.yesbank.in/pdf?name=policy_regarding_prevention_prohibition_of_sexual_harassment_at_workplace.pdf">https://www.yesbank.in/pdf?name=policy_regarding_prevention_prohibition_of_sexual_harassment_at_workplace.pdf</a></li> <li>■ The Bank has undertaken a commitment to achieve 25% gender diversity by FY 2024-25</li> </ul>	<p>To read about the initiatives undertaken by the Bank to ensure a safe, inclusive and growth oriented workplace, refer to the People section on page 98 of this Annual Integrated Report</p>	<ul style="list-style-type: none"> <li>📈 27,517 employees - an increase of 13% from previous year</li> <li>📈 21.0% of women participation in the workforce, up from 18.77% in the previous year</li> <li>📈 15.4% of the Bank's revenue generating positions were held by women executives</li> <li>📈 1,61,597 training days with 26,931 employees trained</li> <li>📈 The Bank has been recognised among the TOP 50 in 'India's Best Workplaces in BFSI 2023' rankings by the Great Place to Work @ ("GPTW") Institute</li> </ul>

## Stakeholder Engagement and Materiality Assessment

Material Topic	Description	Impact	Positive/ Negative	Actual/ Potential	Involvement
<b>M7</b> <b>Customer Experience</b> Capitals / SBOs / Risks Impacted <b>C4</b> Manufactured <b>C5</b> Social & Relationship <b>R6</b> Reputation <b>R8</b> Strategic <b>R12</b> Information Security <b>SBO2</b> Deepening Relationship	The Bank's ability to continue delivering superior customer experience and connect through differentiated solutions and service, capitalising on high employee to customer ratio	By continuing to enhance customer experience through customised solutions and efficient integration of emerging technologies such as Artificial Intelligence; data analytics; Internet of Things, the Bank can continue to strengthen its customer connect and satisfaction, amidst a competitive FINTECH landscape	Positive	Actual/ Potential	This topic relates to the Bank's own activities and its Business Relationships
<b>M8</b> <b>Data Security and Privacy</b> Capitals / SBOs / Risks Impacted <b>C6</b> Intellectual <b>R12</b> Information Security <b>SBO10</b> People, Processes, Tech & ESG	The Bank's ability to protect its data and systems against emerging cybersecurity threats and the practices it follows to ensure that customer information and privacy are secure	<ul style="list-style-type: none"> <li>The Bank faces Information Security Risk in the form of risks related to cyber-attacks on the Bank's systems via hacking, phishing, ransomware or other means</li> <li>Information Security risk may result in the disruption of the Bank's services or the theft or leak of sensitive internal data or customer information leading to Reputation risk, Operational risk, Financial loss, Legal risk, Regulatory displeasure, Data loss etc.</li> </ul>	Negative	Potential	This topic relates to the Bank's own activities and its Business Relationships

Bank's Policies/ Commitments	Mitigant/ Remedies/ Actions	Outcome
<ul style="list-style-type: none"> <li>■ YES BANK has a Board-approved Grievance Redressal Policy which can be accessed here: <a href="https://www.yesbank.in/pdf?name=grievanceredressal_pdf.pdf">https://www.yesbank.in/pdf?name=grievanceredressal_pdf.pdf</a></li> <li>■ In order to address the emergence of security risks the protection of customer information, the Bank has instituted Information Security and Cyber Security policies which are defined based on the ISO 27001 framework</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank has a holistic methodology for measuring customer experience across touchpoints. The Bank's Customer Experience unit captures the Voice of the Customer (VOC) and Customer Scoring through transaction and engagement feedback, utilising digital platforms, and assessing performance across key service drivers</li> <li>■ The Bank has institutionalised Net Promoter Score (NPS) as a key metric to drive superior service experience, customer loyalty and advocacy, across its various customer channels</li> <li>■ Specific insights based on the Voice of the Customer (VOC) survey are reviewed periodically with respective stakeholders and functions to drive improvements in People, Process and Technology/ Infrastructure, so as to enable consistent and superior banking experience to customers</li> <li>■ YES BANK's flagship AI-powered chatbot - YES ROBOT - a comprehensive, secure, 24*7 Personal Banking Assistant for customers has helped the Bank enhance its customer service by reducing the time-of-first-response to just a few seconds</li> <li>■ The Bank has also implemented business intelligence solutions like "YES Genie" &amp; "Salesforce Comprehensive CRM" which are analytical tools for curating front-to-back customer data and key customer insights to speed-up and enhance business critical decisions in customer life cycle management</li> </ul>	<ul style="list-style-type: none"> <li>📈 The Bank registered a 9 points improvement in its overall Retail Banking Net Promoter Score (NPS) score as compared to the last year</li> </ul>
<p>The Bank has instituted Information Security and Cyber Security policies which are defined based on the ISO 27001 framework</p>	<ul style="list-style-type: none"> <li>■ The Bank has instituted a strong governance structure for oversight over Information Security Risk with the Security Council monitoring and reviewing such risks on overall basis with further oversight from the Fraud &amp; Suspicious Transaction Monitoring Committee</li> <li>■ The Bank has well defined policies, frameworks, procedures, templates, and risk assessment methodologies for IT risk management. The framework enables risk assessment of IT solutions, entities providing IT and related services and new technology and digital implementation</li> <li>■ The Bank has adopted Global Information Security Standard ISO 27001:2013 and implemented Board-approved information security and cyber security policies to protect its information assets</li> <li>■ The Bank raises awareness of global cyber security threats among employees, customers and other stakeholders, and issues guidance on using digital platforms safely and securely</li> </ul>	<p><b>Total number of substantiated complaints received concerning breaches of customer privacy:</b></p> <ul style="list-style-type: none"> <li>🔴 Complaints received from outside parties and substantiated by the organisation: 17</li> <li>🔴 Complaints from regulatory bodies: 1</li> <li>📈 Total number of identified leaks, thefts, or losses of customer data: NIL</li> </ul>

## Stakeholder Engagement and Materiality Assessment

Material Topic	Description	Impact	Positive/Negative	Actual/Potential	Involvement
<b>M9</b> <b>Employee engagement; retention and turnover</b> Capitals / SBOs / Risks Impacted C2 Human R9 Attrition SBO10 People, Processes, Tech & ESG	The Bank's ability to keep its employees highly engaged and to retain its talent	The Bank faces attrition risk which may result in lowering morale, reduction in productivity and impact the organisation's culture	Negative	Actual	This topic relates to the Bank's own activities
<b>M10</b> <b>Brand Image</b> Capitals / SBOs / Risks Impacted C6 Intellectual R6 Reputation SBO2 Deepening Relationship	The Bank's ability to strengthen its brand image and rebuild trust by integrating elements of openness and authenticity	The Bank's brand identity represents its innovation, digital prowess and service standards and reflects the organisation's values amongst key stakeholders	Positive	Actual/Potential	This topic relates to the Bank's own activities and its Business Relationships
<b>M11</b> <b>Culture of Compliance</b> Capitals / SBOs / Risks Impacted C5 Social & Relationship R5 Compliance SBO2 Deepening Relationship	Building an organisational culture that goes beyond compliance, surpasses global best practices and is driven by the purpose of "doing the right thing"	Being in abeyance of regulatory obligations can cause the Bank to attract fines and penalties, and could negatively affect its reputation amongst its stakeholders	Negative	Potential	This topic relates to the Bank's own activities and its Business Relationships

Bank's Policies/ Commitments	Mitigant/ Remedies/ Actions	Outcome
<ul style="list-style-type: none"> <li>■ The Bank has instituted an Equal Opportunity policy that prevents discrimination on the grounds of age, colour, disability, marital status, nationality, race, religion, sex, sexual orientation, and aims to treat all employees and job applicants, equally. The Bank's Equal Opportunity policy can be accessed here: <a href="https://www.yesbank.in/pdf?name=eop.pdf">https://www.yesbank.in/pdf?name=eop.pdf</a></li> <li>■ In line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act &amp; Rules 2013", the Bank has instituted a policy on 'Prevention &amp; Prohibition of Sexual Harassment at Workplace'. The Bank's POSH policy can be accessed here: <a href="https://www.yesbank.in/pdf?name=policy_regarding_prevention_prohibition_of_sexual_harassment_at_workplace.pdf">https://www.yesbank.in/pdf?name=policy_regarding_prevention_prohibition_of_sexual_harassment_at_workplace.pdf</a></li> <li>■ The Bank has undertaken a commitment to achieve 25% gender diversity by FY 2024-25</li> </ul>	<p>The Bank undertakes various initiatives to mitigate attrition risk and build a workplace that is diverse and inclusive:</p> <ul style="list-style-type: none"> <li>■ Proactive identification and elevation of top performing employees</li> <li>■ Attractive incentive capping, mechanisms</li> <li>■ The Bank follows an employee compensation philosophy that is gender agnostic and is based on parameters like role, experience, proficiency, level of competency, relevant performance assessment measures etc.</li> <li>■ Implementing employee-friendly policies such as hybrid working models along with flexible working hours</li> <li>■ Mechanisms to ensure smooth assimilation of employees</li> <li>■ Quick redressal of employee grievances</li> </ul>	<ul style="list-style-type: none"> <li>🟡 Attrition rate for top, senior and middle management trend downward for FY 2022-23</li> <li>🔴 The Bank's attrition rate for FY 2022-23 is 42.7% (Attrition is based on average headcount as at March 31, 2023 and includes only voluntary exits)</li> </ul> <p>(For more information on the Bank's human capital initiatives, refer to the People section on page 98 of this Annual Integrated Report)</p>
<p>The Bank has articulated 5 core values of its new reinvigorated Brand Identity: Agile, Transparent, Integrity, Innovative and Responsible</p>	<p>The Bank monitors its brand health through multiple indicators. The Bank has a Net Promoter Score study and subscribes to third party syndicated research and accordingly plans its marketing efforts</p>	<ul style="list-style-type: none"> <li>🟢 In June 2023, the Bank refreshed its Brand identity to reflect its core values of being Agile, Transparent, Integrity, Innovative and Responsible</li> <li>🟡 Marketing Communications: Nil incidents of non-compliance with regulations resulting in a fine or penalty / warning. Nil incidents of non-compliance with voluntary codes</li> </ul> <p>* There has not been any compliance related failure on part of the Bank for FY 2022-23</p> <p>** There are periodic RBI and other statutory body compliance reports submitted through designated Bank's channel for further checks</p>
<p>The Bank has instituted key policies such as its KYC and Anti-Money Laundering Policy/ Anti-Bribery and Anti-Corruption Policy etc. in line with regulatory requirements. A list of the Bank's key regulatory policies can be accessed - <a href="https://www.yesbank.in/regulatory_policies">https://www.yesbank.in/regulatory_policies</a></p>	<ul style="list-style-type: none"> <li>■ The Bank promotes its 'Compliance First' culture among YES BANKers through regular management-led communication and mandatory trainings</li> <li>■ The Bank has enhanced the size of its Compliance and Audit Functions with the Bank's Chief Compliance Officer and the Internal Audit Department reporting directly to the Audit Committee of the Board for planning &amp; reporting</li> <li>■ The Bank's Compliance Department's functions are in accordance to various RBI guidelines, including the RBI circular dated September 11, 2020, which includes identifying effective procedures, corresponding controls to support the Bank's business divisions and the dissemination of key regulatory updates affecting the Bank's various businesses</li> </ul>	<ul style="list-style-type: none"> <li>🔴 Penalties totalling ₹ 129,400 levied through regulatory actions (Please refer to Page 289 of the BRSR)</li> </ul> <p><b>Product and service information and labeling</b></p> <ul style="list-style-type: none"> <li>🟡 Two disclosures pertaining to incidents of non-compliance with regulations resulting in a fine or penalty (please refer to page 314)</li> <li>🟡 Nil incidents of non-compliance with regulations resulting in a warning;</li> <li>🟡 Nil incidents of non-compliance with voluntary codes</li> </ul>

## Stakeholder Engagement and Materiality Assessment

Material Topic	Description	Impact	Positive/Negative	Actual/Potential	Involvement
<p><b>M12</b> <b>Asset Quality and Credit Quality</b></p> <p>Capitals / SBOs / Risks Impacted</p> <p><b>C1</b> Financial <b>R3</b> Credit <b>SBO3</b> Retail Asset Growth <b>SBO5</b> Corporate Profitability</p>	<ul style="list-style-type: none"> <li>The Bank's ability to undertake measures to maintain best in class asset quality and minimise gross NPAs</li> <li>The Bank's ability to improve its overall credit risk and rating through rigorous risk assessment and stress-testing, going beyond regulatory compliance</li> </ul>	<p>Bank's play a key role in fuelling the economy through its lending activity. Poor asset quality leads to NPAs and limits the Bank's ability to channelise credit to critical sectors of the economy, including sectors aligned to SDGs. Poor asset quality impacts the Bank's credit quality and limits its ability to raise capital</p>	Negative	Actual/Potential	This topic relates to the Bank's own activities
<p><b>M13</b> <b>Value System; Long Term Vision &amp; Mission</b></p> <p>Capitals / SBOs / Risks Impacted</p> <p><b>C2</b> Human <b>R8</b> Strategic <b>SBO10</b> People, Processes, Tech &amp; ESG</p>	<ul style="list-style-type: none"> <li>Articulating a clear value system for the Bank that would define its character, long term focus and ability to balance robust growth with the highest standards of integrity</li> <li>The articulation of a long-term, shared vision for the Bank that eliminates uncertainties and fosters confidence in the future, across the Bank's rank &amp; file</li> </ul>	<p>A coherent value system and vision will guide the Bank in defining and achieving its short and long term strategic economic, environmental and social objectives</p>	Positive	Potential	This topic relates to the Bank's own activities
<p><b>M14</b> <b>Cost Management</b></p> <p>Capitals / SBOs / Risks Impacted</p> <p><b>C1</b> Financial <b>R8</b> Strategic <b>SBO9</b> Strategic Investments</p>	<p>The Bank's ability to improve its profitability by optimising costs and building a long-term frugal, efficient and scalable cost structure</p>	<ul style="list-style-type: none"> <li>Adequate monitoring and control on cost is an important element in Bank's ability to achieve desired Financial outcomes and profitability in line with strategy</li> <li>Generating efficiencies from cost optimisation can create headroom for appropriate investments</li> <li>Absence of the aforesaid items may result in unwanted cost growth and sub-optimal profitability</li> </ul>	Negative	Actual	This topic relates to the Bank's own activities
<p><b>M15</b> <b>Liability Generation</b></p> <p>Capitals / SBOs / Risks Impacted</p> <p><b>C1</b> Financial <b>R7</b> ALM <b>R8</b> Strategic <b>SBO1</b> Liability Franchise</p>	<p>The Bank's ability to strengthen its liability profile with a focus on granularity and mobilise low-cost deposits</p>	<p>Deposits provide a cheap and reliable source of funding for the Bank. Adequate liability generation can strengthen the Bank's liquidity, enhance its ability to offer credit, leading to stability and profitability</p>	Positive	Actual	This topic relates to the Bank's own activities

Bank's Policies/ Commitments	Mitigant/ Remedies/ Actions	Outcome
<p>The Bank has set up policies and processes (including the Board-approved Credit Policy) which are more stringent than the regulatory guidelines prescribed by RBI's Prudential norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances</p>	<ul style="list-style-type: none"> <li>■ In FY 2022-23, the Bank fortified its balance sheet, and holistically addressed its legacy asset quality issues by completing the assignment of its stressed assets loan portfolio aggregating to around ₹ 48,000 crore (principal outstanding as at March 31, 2022), to J.C. Flowers Asset Reconstruction, in the single largest transaction of sale of non-performing assets in the Indian Banking System</li> <li>■ The Bank's resolution momentum continues to be strong with consistent recoveries &amp; upgrades. Slippages and overdue continue to trend lower</li> <li>■ Improvement in the Bank's asset quality has helped the Bank achieve consistent credit rating upgrades</li> </ul>	<p><b>Portfolio Asset Quality at its best since reconstruction</b></p> <ul style="list-style-type: none"> <li>📈 Significantly improved GNPA ratio of 2.2% from 13.9% in FY 2021-22. Reduced NNPA ratio to 0.8% from 4.5% in the previous year</li> <li>🟡 Non Tax Provisions/ credit costs flattish Y-O-Y (adjusted for accelerated provisions)</li> <li>📈 During the year the Bank received credit rating upgrades from: <ul style="list-style-type: none"> <li>■ Moody's: From B2 to Ba3</li> <li>■ CRISIL: From BBB+ to A-</li> <li>■ CARE: From BBB+ to A-</li> <li>■ India Ratings: From BBB to A-</li> <li>■ ICRA: From BBB to A-</li> </ul> </li> </ul>
<p>The Bank has identified five Core Values and Three pillars of vision - refer to the Our Strategy section on page 46 for the Bank's vision</p>	<ul style="list-style-type: none"> <li>■ The Bank has articulated its 5 core values as Trustworthiness, Transparency, Integrity, Accountability, and Collaboration</li> <li>■ The Bank's vision rests on three main pillars: <ul style="list-style-type: none"> <li>■ To continue to be a universal bank, but with a focus on granularising all businesses</li> <li>■ To build on inherent digital market leadership and become a relationship banker to the new-age economy</li> <li>■ To focus on building an employee-centric culture, efficient processes and fit-for-scale technology architecture with a heightened focus on customer service</li> </ul> </li> <li>■ The Bank regularly emphasises its values and vision through regular management-led communication and other forums</li> </ul>	<p><b>The Bank has made consistent progress towards achieving its vision:</b></p> <ul style="list-style-type: none"> <li>📈 Granularising the business: The Bank's retail advances represented 59% of net advances in FY 2022-23 vis-à-vis, 24% in FY 2019-20</li> <li>📈 Digital Leadership: The Bank's ranks No.1 on progressive payment platforms such as UPI/ UPI, AePS and NEFT</li> <li>📈 Employee and customer centric organisation: The Bank has been recognised among the Top 50 in 'India's Best Workplaces in BFSI 2023' rankings by the Great Place to Work® Institute/ registered a 9 points improvement in its Retail Banking NPS (Y-O-Y)</li> </ul>
<p>The Bank has institutionalised a Financial Delegation Matrix framework for spending transactions. Also, the Bank establishes cost budgets for operating units, and supplements that with continuous monitoring of costs and variance analysis</p>	<ul style="list-style-type: none"> <li>■ The Bank has Financial Delegation Matrix framework for spending transactions</li> <li>■ Cost efficiency projects and initiatives are undertaken from time to time to help realise cost performance improvements</li> <li>■ The Bank has a robust cost monitoring mechanism in place, whereby Management and Business units review cost trends and variances compared to plan on a monthly basis</li> </ul>	<ul style="list-style-type: none"> <li>📉 Cost to Income ratio at 73.1% in FY23 v/s 70.1% in FY22 on account of continued investment in retail franchise <ul style="list-style-type: none"> <li>■ FY23 Opex grew 26.5% versus FY22, mainly driven by higher business volumes and continued investments in the platform - new branches, technology &amp; human capital</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>■ Improving its current accounts and savings accounts (CASA) ratio is one of the Bank's strategic business objectives</li> </ul>	<ul style="list-style-type: none"> <li>■ The Bank continues to grow and granularise its deposits base across savings accounts, current accounts and term deposits; and has introduced a wide range of tailored propositions for customer segments in the last couple of years</li> <li>■ During the year, YES BANK launched the industry-first, Floating Rate Fixed Deposit</li> </ul>	<ul style="list-style-type: none"> <li>📈 Total Deposits at ₹ 217,502 crore (up 10.3% Y-O-Y)</li> <li>📈 13.4 lakh CASA accounts opened in FY23</li> <li>📈 Avg. CASA Deposits for FY23 up 26.3% Y-O-Y aided by 30.4% Y-O-Y growth in Avg. CA Deposits</li> </ul>



## Stakeholder Engagement and Materiality Assessment

Material Topic	Description	Impact	Positive/ Negative	Actual/ Potential	Involvement
<b>M16</b> <b>Governance</b> Capitals / SBOs / Risks Impacted C2 Human C3 Natural R5 Compliance R6 Reputation SBO10 People, Processes, Tech & ESG	The Bank's ability to strengthen its governance frameworks and institutionalise integrity through robust systems and processes geared towards accountability and transparency	Governance related issues can erode trust in the institution and could be detrimental to its long-term reputation and stability. This could negatively affect the Bank's stakeholders	Negative	Actual	This topic relates to the Bank's own activities and its Business Relationships
<b>M17</b> <b>Resilience and Recovery</b> Capitals / SBOs / Risks Impacted C1 Financial R8 Strategic SBO10 People, Processes, Tech & ESG	The Bank's ability to attract long-term capital, maintain a steady recovery in the face of a slow economic revival and build resilience against any potential shocks	Being under-capitalised could affect the Bank's ability to achieve its long-term targets for sustainable growth	Negative	Actual	This topic relates to the Bank's own activities

Bank's Policies/ Commitments	Mitigant/ Remedies/ Actions	Outcome
<p>The Bank has instituted number of policies to align with best practises in corporate governance - refer to the ESG Focussed Policies section on page 95 of this Annual Integrated Report</p>	<ul style="list-style-type: none"> <li>■ During FY 2022-23, the Bank constituted an eminent 13-member Board of Directors comprising 7 independent directors comprising domain specialists with extensive strategic, operational and leadership experience</li> <li>■ The Bank has strengthened governance, compliance and underwriting frameworks by demarcating roles and responsibilities and enhancing independence and accountability of Risk/ Compliance and Audit functions</li> <li>■ Set up a comprehensive and robust risk management framework with de-centralisation of credit approval process</li> </ul>	<p><b>YES BANK's Governance Score has improved across key ESG ratings:</b></p> <ul style="list-style-type: none"> <li>📈 S&amp;P Global CSA: 68 in FY23, up from 60 in FY22</li> <li>📈 Moody's Governance Issuer Profile Score: G3 (Moderate Risk) in FY23 as compared to G4 (High Risk) in FY22</li> </ul>
<p>The Bank maintains capital adequacy as per RBI's Basel III guidelines</p>	<ul style="list-style-type: none"> <li>■ In FY 2022-23, YES BANK successfully raised equity capital of ~USD 1.1Bn (~₹ 8,900 crore) from two global private equity investors - Carlyle and Advent International</li> <li>■ The capital raise which was the second largest private capital raise transaction in the Indian Banking Sector in the last two decades, bolstered the Bank's capital adequacy and balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>📈 The Bank's CRAR Ratio improved to 17.9% in FY 2022-23 from 17.4% in FY 2021-22</li> <li>📈 The Bank's CET1 Ratio improved to 13.3% in FY 2022-23 from 11.6% in FY 2021-22</li> </ul>

## Stakeholder Engagement and Materiality Assessment

### Boundary Setting of Material Issues

Material Issue	Linkage with GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
Climate Change	GRI 201: Economic Performance 2016 GRI 203: Indirect Economic Impacts 2016 GRI 302: Energy 2016 GRI 305: Emissions 2016	GRI 201-2; GRI 203-1; GRI 302-1 to GRI 302-5; GRI 305-1 to GRI 305-7	Within and outside YES BANK
Environmental Sustainability	GRI 303: Water and Effluents 2018 GRI 306: Waste 2020	GRI 303-2; GRI 306-1 to GRI 306-5;	Within and outside YES BANK
Financial Inclusion	GRI 203: Indirect Economic Impacts 2016 GRI 413: Local Communities 2016	GRI 203-2; GRI 413-1 & 413-2	Within and outside YES BANK
Digital Leadership	GRI 201: Economic Performance 2016	GRI 201-1	Within and outside YES BANK
Communication & Disclosures	GRI 406: Non-discrimination 2016	GRI 406-1	Within YES BANK
Collaborative and Entrepreneurial Work Culture	GRI 401: Employment 2016 GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-Discrimination 2016	GRI 401-1 to GRI 401-3; GRI 403-2, GRI 403-9; GRI 403-10; GRI 404-1 to GRI 404-3; GRI 405-1 & GRI 405-2; GRI 406-1	Within YES BANK
Customer Experience	GRI 418: Customer Privacy 2016	GRI 418-1	Within and outside YES BANK
Data Security and Privacy	GRI 418: Customer Privacy 2016	GRI 418-1	Within YES BANK
Employee Engagement; Retention and Turnover	GRI 401: Employment 2016	GRI 401-1	Within YES BANK
Brand Image	GRI 417: Marketing and Labelling 2016	GRI 417-2 and GRI 417-3	Within and outside YES BANK

Material Issue	Linkage with GRI Standards Topics	GRI Standards Disclosures	Significant Impacts
Culture of Compliance	GRI 417: Marketing and Labelling 2016	GRI 417-2 and GRI 417-34	Within YES BANK and outside YES BANK
Asset Quality and Credit Quality	GRI 201: Economic Performance 2016	GRI 201-1	Within YES BANK
Value System and Long-Term Vision & Mission	GRI 201: Economic Performance 2016	GRI 201-1	Within YES BANK
Cost Management	GRI 201: Economic Performance 2016	GRI 201-1	Within and outside YES BANK
Liability Generation	GRI 201: Economic Performance 2016	GRI 201-1	Within YES BANK
Governance	GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Within YES BANK
Resilience and Recovery	GRI 201: Economic Performance 2016	GRI 201-1	Within and outside YES BANK

# Governance

At YES BANK, effective Corporate Governance is ensured in a responsible manner for 'creating and sharing value' through transparency and accountability. The Bank upgrades its systems and policies regularly to meet the challenges of a dynamic business environment and regulatory provisions in order to meet the responsibility towards its stakeholders and to provide reasonable assurance on maintenance of proper internal controls and monitoring of operations. YES BANK's Board is fully committed to adhering to the highest standards of ethics, transparency, disclosures and governance and to protect the interest of all its stakeholders. The Board is focussed on ensuring corporate governance and risk controls of the Bank.

YES BANK's Corporate Governance framework ensures that timely and accurate disclosures are made and relevant information is disseminated regarding its financial performance, operations as well as the Bank's leadership and governance.

The Bank has been working effortlessly to strengthen its governance and disclosure practices and promises to continue to be on the progressive path to nourish its Corporate Governance practices and make them more effective from regulatory and market perspective.

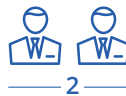
## Board of Directors

During the Financial Year 2022-23, the Bank successfully completed the formation of an alternate Board w.e.f. July 15, 2022, and currently the Board comprises Thirteen (13) Directors. The Board comprises eminent personalities from diverse fields and experience, with the necessary qualification, skill sets, track record, integrity, expertise and gender diversity, as required under the applicable statutory provisions. The Board's composition (including gender diversity) as at March 31, 2023 is presented below:

**Independent Directors**



**Nominee Directors of State Bank of India**



**Non-Executive Directors**  
(Nominee of CA Basque Investments and Verventa Holdings Limited)



**Managing Director & CEO**



**Executive Director**



### Role of Board of Directors

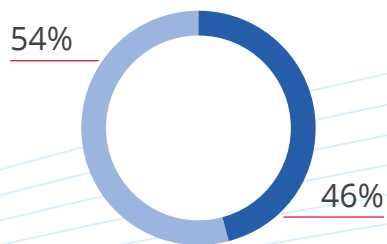
The Board of Directors of the Bank meet regularly to discuss important/critical matters as required to be reviewed/approved as per the applicable statutory provisions. The key matters for the Board's discussion include capital raising activity, operations, risk management and business, new initiatives in business, budgets, financial results, update on corporate social responsibility activities, Environmental Social and Governance, climate strategy, minutes of the Board and Committees of the Board, appointment and remuneration of the Senior Management, appointment/cessation of Key Managerial Personnel, 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 of SEBI and RBI Regulations/ circulars, etc., and other matters which are required to be placed before the Board in terms

of the Companies Act, 2013, SEBI LODR and Theme Based Review agenda as prescribed by RBI, among others. The Board and other Committees also approve various business proposals and regulatory approvals through circulations.

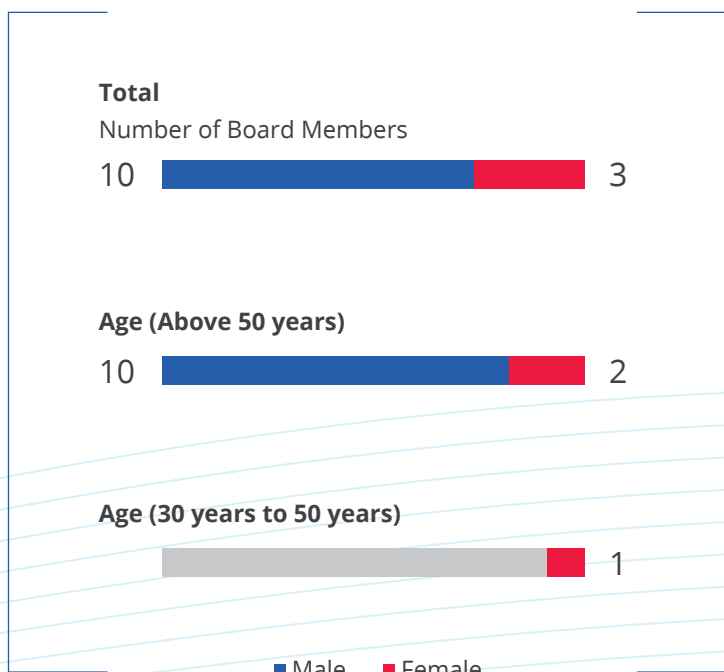
Further, the Bank has an effective post-meeting follow-up procedure. It has a mechanism to track important decisions taken at the Board/Committee meetings till the closure of such decisions. The Bank has put in place a system, the Action Tracker System, to track actionable emanating from Board/Board-level Committee meetings. The Action Taken Report on decisions taken in a meeting is placed at the succeeding meeting(s) of the Board/Board Level Committees. A report on the ongoing actionables (Action Taken Report) are being placed before the meeting of the Board/Committees of the Board from time to time.

### Board Independence

Of the 13 Directors on the Board, 7 are Independent Directors, which accounts for 54% of the total number of Directors. Accordingly, the Bank ensures the efficient and transparent conduct of business through an optimum combination of Executive and Non-Executive Directors (Independent Non-Independent) on its Board.



- Independent Directors
- Non-Independent Directors



## Governance

### ESG Governance

YES BANK has set up a robust governance structure for strategically integrating ESG and climate considerations into its business, with the Bank's Chief Financial Officer heading the Sustainable Finance unit as the highest ranking executive responsible for the Bank's sustainability strategy, and reporting directly to the MD & CEO.

#### YES BANK'S ESG Governance Structure

##### Board

The Bank's Board of Directors guides its overall ESG agenda and is periodically apprised of the Bank's sustainability approach, targets, and key initiatives

##### CSR & ESG Committee of the Board

The Bank's Corporate Social Responsibility and Environmental Social & Governance Committee of the Board is the highest governance body that drives the Bank's ESG agenda. The Committee oversees the Sustainability Council and reviews the Bank's ESG performance

##### Sustainability Council

The Bank's Executive Level Sustainability Council chaired by the MD & CEO, develops and reviews the Bank's sustainability strategy, oversees the implementation of the Bank's sustainability agenda, sets targets, and monitors its ESG performance

##### Sustainable Finance (SF) team

The SF unit works with sustainability SPOCs from across the organisation to implement the Bank's sustainability strategy and achieve ESG related targets, as set out by the Sustainability Council



### CEO'S COMPENSATION

The remuneration for the Bank's MD&CEO is in line with the guidelines stated in the RBI circular dated 04 November 2019 (Ref. RBI/2019-20/89, DOR.APPT. BC. No. 23/29.67.001/2019-20). The Bank has a process of defining measurable Key Performance Indicators (KPIs) for MD & CEO under financial & non-financial parameters. Financial KPIs include metrics such as profitability, return on assets, deposit growth etc. while non-financial KPIs include metrics on governance and compliance, ESG and climate change, human resources etc.

The MD&CEO's Variable pay consists of performance bonus and stock-linked Incentive. The variable pay is governed by regulatory guidelines which includes deferral arrangement. While part of performance bonus is deferred over subsequent three performance periods, the stock-linked incentive vests over 42 months from the grant date. The entire variable pay is subject to Malus/Clawback clauses as per the Bank's policy.

The ratio of the remuneration of the MD&CEO to the median remuneration of the employees for the financial year is 46.29x



## CULTURE OF COMPLIANCE

Ensuring compliance with regulatory requirements, promoting the compliance culture among YES BANKers and building trust amongst all the stakeholders is an overarching consideration at YES BANK. The dedicated Compliance Department strives to be at the forefront of regulatory changes and continues to work closely with all the businesses of the Bank and its operations to be compliant with existing and new requirements.

To further this objective, the Chief Compliance Officer at the Bank reports directly to the Audit Committee of the Board. The key functions of this department align with various RBI guidelines, including the RBI circular

dated September 11, 2020, which includes identifying effective procedures, corresponding controls to support the Bank's business divisions and the dissemination of key regulatory updates affecting the Bank's various businesses. The department also reviews new products and processes from a regulatory compliance perspective, provides guidance on compliance-related matters, conducts compliance reviews and delivers training to employees on compliance aspects. The Bank has also put in place KYC and anti-money laundering policies approved by the Board of Directors as well as transaction monitoring procedures, as per the regulatory guidelines.



## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY (ABAC POLICY)

YES BANK's Anti-Bribery and Anti-Corruption Policy (ABAC Policy) has been developed in alignment with the Bank's Code of Conduct, various policies, rules, and regulations adopted by the Bank and in conformance with the legal and statutory framework of anti-bribery and anti-corruption legislation prevalent in India. The Policy reflects the Bank's and its management's commitment to maintain the highest ethical standards, while conducting its business in an open, fair and accountable manner, in line with the best practices in corporate governance. The objective of this Policy is to ensure that neither the

Bank nor any of its employees (fulltime or contractual employees, including trainees and interns), directors, agents, associates, vendors, consultants, advisors, representatives, or intermediaries, indulge in any acts of bribery and corruption in discharging of their official duties towards the Bank, either in their own name or in the name of the Bank. YES BANK's Anti Bribery and Corruption Policy is available on the Bank's website at: [https://www.yesbank.in/pdf?name=ybl\\_abac\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_abac_policy.pdf) transaction monitoring procedures, as per the regulatory guidelines.



## KNOW YOUR CUSTOMER (KYC)/ ANTI-MONEY LAUNDERING (AML) POLICY

The Bank has also put in place a KYC and Anti-Money Laundering Policy approved by the Board of Directors as well as transaction monitoring procedures as per the regulatory guidelines. The KYC/AML policy

provides a broad framework for adherence to national and local regulatory requirements related to Know Your Customer/Anti-Money Laundering/Combating Financing of Terrorism directives.



## Governance

The Audit Committee of the Board has oversight of this policy, which consists of the following:

- Customer Due Diligence (CDD) including collection of KYC documents, verification of the same from independent and reliable sources, wherever applicable, and identification and verification of beneficial owners in case of legal entity clients. Clients are also subjected to periodic updation of client due diligence requirements at least once in 2 years for high-risk customers, once in 8 years for medium-risk customers, and once in 10 years for low-risk customers. Non-face-to-face sourcing of the clients is made subject to ensuring additional due diligence as per the local regulatory guidelines
- Conducting necessary name screening against the regulator prescribed negative lists before opening client account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terrorist organisations
- Conducting enhanced due diligence for Politically Exposed Person (PEP) clients and obtaining senior management's approvals for opening an account. Such accounts are to be subjected to enhanced monitoring on an ongoing basis
- A comprehensive transaction monitoring process to ensure that client transactions are consistent with the customers' business and risk profile and the source of funds and regulatory reporting to the FIU-Ind, as prescribed under the regulations
- Maintaining records of client identification data/information for a period of 5 years from the closure of client relationship, and transaction records for the period of 5 years from the date of transaction
- KYC/AML policy and procedural requirements are subjected to an independent review by the Audit function, and subjected to necessary reporting to the Top Management of the Bank
- The Bank is also assessed by the Reserve Bank of India under Risk Based Supervision (RBS)



## ESG-FOCUSED POLICIES

To embed ESG thinking into all aspects of its business, the Bank has instituted a number of critical policies, codes of conducts and guidelines that foster and promote its ethos of responsible banking, across the organisation.

### Business Ethics

- 1 **Code of Conduct:** The Bank has adopted an Employee Code of Conduct that applies to all executives. Comprehensive employee trainings are conducted on the Code, followed by a mandatory certification test. For more details on the Bank's Code of Conduct, visit: [https://www.yesbank.in/pdf?name=employee\\_code\\_of\\_conduct.pdf](https://www.yesbank.in/pdf?name=employee_code_of_conduct.pdf)
- 2 **Code of Business Conduct and Ethics for the Board of Directors and Senior Management:** The Board has formulated and adopted the Code of Conduct and Ethics that the Board of Directors and Senior Management must adhere to. For more details, visit: [https://www.yesbank.in/pdf?name=Code\\_of\\_Business\\_Conduct\\_Ethics\\_for\\_the\\_Board\\_of\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.yesbank.in/pdf?name=Code_of_Business_Conduct_Ethics_for_the_Board_of_Directors_and_Senior_Management.pdf)
- 3 **Anti-Bribery and Anti-Corruption Policy:** The Bank has implemented a group-wide Anti-Bribery and Anti-Corruption Policy which defines what constitutes bribery/corruption (including facilitation payments) and outlines the corruption control and reporting mechanisms. The Audit Committee of the Board has an oversight of this policy. A summary of the policy can be accessed at: [https://www.yesbank.in/pdf?name=ybl\\_abac\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_abac_policy.pdf)
- 4 **KYC/Anti-Money Laundering Policy (AML):** The Board-approved KYC/AML policy provides a broad framework for adherence to national and local regulatory requirements related to Know Your Client/Anti-Money Laundering/ Combating Financing of Terrorism directives. The Audit Committee of the Board has oversight of this policy.
- 5 **Whistle Blower Policy:** In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements, 2015) and other applicable laws and in accordance with principles of good corporate governance, the Bank has developed and implemented a Vigil Mechanism, in the form of its Whistle Blower Policy. The Audit Committee of the Board has oversight of this policy. The details of the Whistle Blower Policy are available here: <https://www.yesbank.in/pdf?name=whistleblowerpolicy.pdf>
- 6 **Tax Strategy:** The Bank has instituted a Board-approved tax strategy that incorporates good corporate practices in tax management and tax transparency, and responsibly balances the interests of its various stakeholders, including its clients, shareholders, employees, and the society at large. Details of the Bank's tax strategy are available on the Bank's website at: <https://www.yesbank.in/pdf?name=whistleblowerpolicy.pdf>
- 7 **Equal Opportunity Employer Policy:** The Bank has instituted an Equal Opportunity policy that prevents discrimination on the grounds of age, colour, disability, marital status, nationality, race, religion, sex, and sexual orientation, and aims to treat all the employees and job applicants, equally. The Bank's Equal Opportunity policy can be accessed here: <https://www.yesbank.in/pdf?name=eop.pdf>
- 8 **Policy on Sexual Harassment:** In line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules 2013", the Bank has instituted a policy on 'Prevention & Prohibition of Sexual Harassment at Workplace'. The policy provides for the prevention of sexual harassment at the workplace, protection of women, and quick redressal of their complaints. The Bank has constituted an executive-level Internal Committee to address complaint(s) on sexual harassment. The Bank's POSH policy can be accessed here: [https://www.yesbank.in/pdf?name=policy\\_regarding\\_prevention\\_prohibition\\_of\\_sexual\\_harassment\\_at\\_workplace.pdf](https://www.yesbank.in/pdf?name=policy_regarding_prevention_prohibition_of_sexual_harassment_at_workplace.pdf)

### Workplace & Human Capital

## Governance

- 9 Occupational Health and Safety (OHS) Policy: YES BANK has instituted a Bank-wide OHS Policy to emphasise its commitment to provide a safe work environment to all its personnel (including employees, consultants, contract staff), customers, visitors and other stakeholders in order to protect their health and ensure safety and well-being within the Bank’s premises. The Bank’s OHS policy can be accessed here: [https://www.yesbank.in/pdf?name=ybl\\_occupational\\_health\\_and\\_safety\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_occupational_health_and_safety_policy.pdf)

### Community Support

- 10 Corporate Social Responsibility Policy: The Bank has a Corporate Social Responsibility Policy aligned with Section 135 of The Companies Act, 2013 and in accordance with the Companies Rules, 2014. The CSR and ESG Committee of the Board has an oversight of the Bank’s CSR Policy. The CSR policy is available here: [https://www.yesbank.in/pdf?name=ybl\\_corporate\\_social\\_responsibility\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_corporate_social_responsibility_policy.pdf)
- 11 Employee Volunteering Policy: The Bank has instituted an Employee Volunteering Policy to encourage employees to participate in the Bank’s corporate social responsibility initiatives. Through this policy, employees are enabled to access paid time-off to volunteer for social causes.

### Customer Protection

- 12 Policy on Collection of Dues and Repossession of Security: The Bank has adopted a Board-approved Debt Collection Policy that highlights its commitment to follow fair and lawful practices, and to ensure its customers are treated with respect, courtesy, fairness and transparency, in processes related to recovery/repossession of security. The policy can be accessed here: [https://www.yesbank.in/pdf?name=policy\\_dues\\_and\\_repossessions.pdf](https://www.yesbank.in/pdf?name=policy_dues_and_repossessions.pdf)
- 13 Customer Grievance Redressal Policy: YES BANK has adopted a Grievance Redressal Policy for handling customer complaints and grievances, and to ensure responsive, fair, expeditious and customer-centric query/complaint management

procedures to all external customers. The Customer Service Committee of the Board (Service Excellence Committee) has Board-level oversight, while the Standing Committee on Customer Service has management-level oversight of this policy. The policy can be accessed here: [https://www.yesbank.in/pdf?name=grievanceredressal\\_pdf.pdf](https://www.yesbank.in/pdf?name=grievanceredressal_pdf.pdf)

### Data Protection and Information Security

- 14 Data Handling Policy: The Bank has adopted a Board-approved Data Handling Policy.
- 15 Cyber Security Policy: The Bank has adopted a Board-approved Cyber Security Policy.
- 16 Information Security Policy: The Bank has adopted a Board-approved Information Security Policy.

### Environmental & Social Impact

- 17 Environmental Management Policy: The Bank has adopted an Environmental Management Policy aimed at conserving the use of natural resources, improving key resource efficiencies, and reducing its carbon footprint. The CSR & ESG Committee of the Board has Board-level oversight, while the Sustainability Council has management-level oversight of this policy. A summary of the policy can be accessed here: [https://www.yesbank.in/pdf?name=yes\\_bank\\_environmental\\_management\\_policy\\_summary\\_pdf.pdf](https://www.yesbank.in/pdf?name=yes_bank_environmental_management_policy_summary_pdf.pdf)
- 18 Environment & Social Policy: The Bank has adopted an Environment and Social Policy (ESP), that integrates environmental and social risks into its overall credit risk assessment framework. The ESP sets out the overarching framework for identifying and managing potential and/or existing Environmental & Social (E&S) risks commensurate with the nature and scale of transactions and their potential impacts. The CSR & ESG Committee of the Board has Board-level oversight, while the Sustainability Council has management-level oversight of this policy. A summary of the policy can be accessed here: [https://www.yesbank.in/pdf?name=ybl\\_esp\\_summary\\_pdf.pdf](https://www.yesbank.in/pdf?name=ybl_esp_summary_pdf.pdf)

**19** ESG Code of Conduct: The Bank has instituted an ESG Code of Conduct for suppliers, based on benchmarked ESG parameters, defining its commitment to environmental, health and safety regulations; local employment and labour laws; human rights including elimination of forced labour, child labour and discrimination; national and international antitrust and trade control regulations; anti-corruption, anti-bribery & anti-competitive trade practices; and norms related to data privacy and conflict of interest, amongst others. The Bank's ESG Code of Conduct for suppliers, which forms part of its business agreements and contracts, can be accessed here: [https://www.yesbank.in/pdf?name=yes\\_banks\\_esg\\_supplier\\_code\\_of\\_conduct\\_pdf.pdf](https://www.yesbank.in/pdf?name=yes_banks_esg_supplier_code_of_conduct_pdf.pdf)

**20** Human Rights: The Bank has instituted a Human Rights Policy that highlights its commitment to the United Nations Guiding Principles on Business and Human Rights. The Policy emphasises the Bank's focus on developing a culture that values diversity and inclusion; promotes equal employment opportunities; provides a safe and healthy workplace with zero tolerance towards sexual harassment; and prohibits child labour, forced labour and human trafficking, across its value chain. The Bank's human rights policy is applicable to all employees and stakeholders, including its suppliers and clients. The policy can be accessed here: [https://www.yesbank.in/pdf?name=human\\_rights\\_policy\\_yes\\_bank.pdf](https://www.yesbank.in/pdf?name=human_rights_policy_yes_bank.pdf)



# People

## Workplace Diversity, Inclusion and Growth

With talent emerging as the key differentiator, having a people-first culture is a true source of sustainable competitive advantage for the Bank. The culture helps with attraction and retention of the best talent and drives more sustainable outcomes. While our employees uphold the Bank's core values of agile, transparent, integrity, innovative and responsible, the Bank strives to provide its employees with a workplace that offers opportunities for holistic growth, development, and well-being through a collaborative culture that espouses diversity and inclusivity.

### Linkages

C2	M6	SBO10	R1
C6	M9		R6
	M13		R9
	M16		

### Key highlights for FY 2022-23

**27,517**

Total permanent employees

**1,61,597**

Training days

**5,790**

Permanent women employees

**6,651**

Training programmes

**21.0%**

Women participation in workforce

**26,931**

Employees trained

**98.8%**

Return to work rate after maternal leave

**5.87**

Average training days per employee

Note: The aforementioned information includes Bank's full-time employees (India and Representative Office) and exclude fixed term contractual staff (trainees, advisors, etc.).



## Diversity & Inclusion

The Bank is an equal opportunity employer, committed to creating and nurturing a culture of inclusion and belongingness, with no tolerance towards any form of discrimination. The Bank has undertaken several

measures to strengthen diversity and inclusion, which enables YES BANKers with opportunities to reach their full potential.

### Key measures include

#### Equal Opportunity Policy

The Bank's policy on Equal Opportunity prevents discrimination on any grounds such as disability, marital status, race, religion, gender, sexual orientation, and nationality, among others, and aims to treat all employees and job applicants equally.

#### Diversity & Inclusion (D&I) Council

The Bank's D&I Council identifies and helps accelerate the D&I initiatives. The Bank embraces diversity and inclusion as drivers for employee satisfaction as well as organisational innovation, value and growth.

#### Gender Diversity Target

Women participation in the Bank's workforce has increased from 18.8% in FY 2021-22 to 21.0% in FY 2022-23. The Bank is aiming for 25% gender diversity by FY 2024-25.

#### Persons with Disabilities

Currently, the Bank has 8 differently abled employees across locations. It is in the process of additional recruitment of differently abled persons at select centres.

## People Demographics – Diversity

Management Band	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	45	6	35	2	88
Senior Management	0	0	208	23	49	5	285
Middle Management	4	5	3,340	542	103	9	4,003
Junior Management	5,745	2,823	12,175	2,372	23	3	23,141
<b>Total</b>	<b>5,749</b>	<b>2,828</b>	<b>15,768</b>	<b>2,943</b>	<b>210</b>	<b>19</b>	<b>27,517</b>

Includes Full Time Employees of the Bank (employees in India and at Abu Dhabi Representative Office)

Data is as per employee count as at March 31, 2023

Excludes 130 trainees, advisors and consultants (refer page 283 for gender-wise breakup)

## Gender Pay Ratio

The Bank follows an employee compensation philosophy that is gender agnostic and is based on parameters like role, experience, proficiency, level of competency, and relevant performance assessment measures. For 84% of the employees, comprising Junior Management, the ratio of the basic salary and remuneration of "women to men" in the Bank is 0.88. For the remaining 16% comprising Middle Management and above, the ratio varies from 0.90 to 0.92.

## Ratios (Female to Male) of Average Fixed Pay across Management Bands

Management Band*	Female (A) ₹ (cr.)	Male (B) ₹ (cr.)	Ratio (A) / (B)
Top Management	1.15	1.28	0.90
Senior Management	0.69	0.75	0.92
Middle Management	0.26	0.28	0.91
Junior Management	0.07	0.08	0.88

Note: Data presented above excludes MD & CEO, ED and KMPs

## People

### Fostering Gender Equality

At YES BANK, we ensure that our recruitment processes are fair and unbiased, which is also contributing to improving gender diversity ratio in our workforce. The employees are trained through various initiatives to promote diversity and inclusion

and to raise awareness of the prejudices that are unintentional. During the year, the Bank conducted curated interventions in the form of engaging webinars, and drama-based workshops aimed at fostering gender equality and creating a more inclusive workplace.

Some of these initiatives include:

**Ascend (Women Leaders – Junior to Middle Management):** The programme focussed on sensitising employees on how gender stereotyping and career limiting beliefs hold women back in their careers.

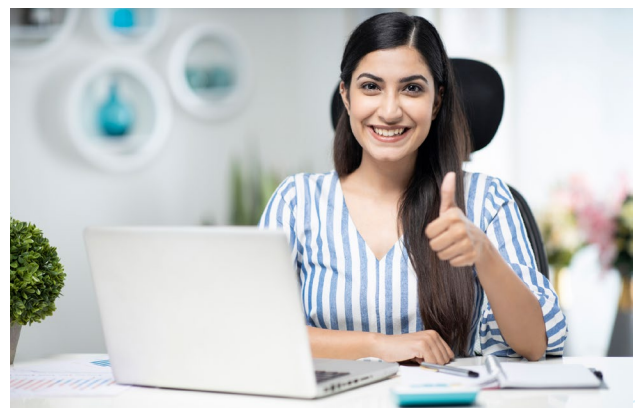
**Transcend (Women Leaders – Middle to Senior Management):** The programme focussed on how women leaders could influence their careers by radiating confidence, declaring their brand, and enhancing their networking skills.

### Encouraging Gender Respect: Say Yes To G.R.A.C.E

The Bank has 'zero tolerance' towards any act by any employee which may fall under the ambit of 'sexual harassment' at workplace and is fully committed to uphold and maintain the dignity of every woman employee working for the Bank. In line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act & Rules 2013", the Bank has a policy on 'Prevention & Prohibition of Sexual Harassment at Workplace'. The Bank also has Internal Committees to investigate and inquire into sexual harassment complaints, in line with its policy. The policy provides for the prevention of sexual harassment at workplace, protection of women, and redressal of their complaints.

There was one pending case at the close of FY 2021-22. During FY 2022-23, 20 complaints pertaining to sexual harassment were filed, of which 14 cases have been closed and 6 cases are pending resolution. Investigation has been closed for the pending cases and further action is in progress which will be completed within the timelines. The complaints received by the Bank were handled promptly and effectively with utmost sensitivity and confidentiality by the Internal Committees. Cases where allegations were established, appropriate action was taken in line with the Internal Committee's recommendations.

The Bank has implemented the 'Gender Respect and Commitment to Equality' ("GRACE") programme which helps employees understand what constitutes sexual harassment, how to prevent it and the redressal mechanism in case of any incidents reported. The key points of the Act and the details of the Internal Committees are shared with all the employees and are displayed at branches and offices of the Bank.



## Health & Wellness

At YES BANK, employee safety and well-being is of utmost importance, as it has a direct bearing on employee morale, engagement and productivity. During the year, the Bank undertook several measures to prioritise employee well-being, including physical and mental wellness.

Some of these include:

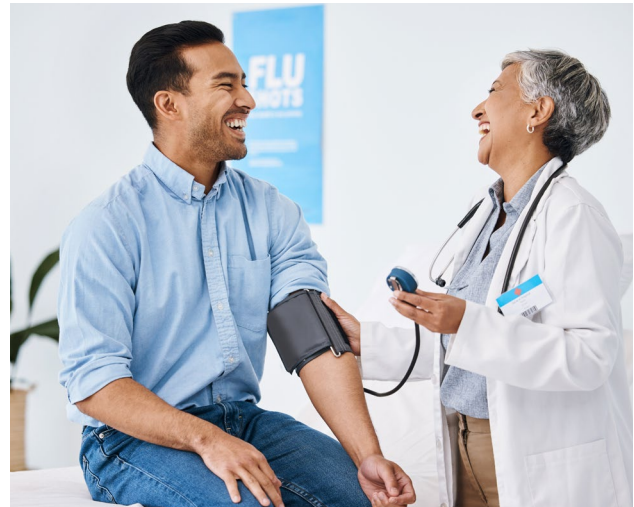
**Insurance Benefits:** A comprehensive 'Group Medclaim Policy' covering pre- and post-hospitalisation of employees and their enrolled dependents (spouse, children) is sponsored by the Bank for all the employees. The Bank also sponsors the 'Group Term Life Insurance Policy' and 'Group Personal Accident Policy' for its employees. Additionally, immediate ex-gratia of 2 months' salary is extended to the families of deceased employees.

**Employee Health Check-up Policy:** As one of the measures to encourage employees to stay healthy and identify health issues, if any, the Bank has put in place a policy on Employee Health Check-up.

**Medical Facility:** The Bank has partnered with a service provider to provide medical services to employees at 4 major centres (two in Mumbai Metropolitan Region, and one each in Chennai and Noida). These centres are well equipped with experienced general physicians, nurses, and dieticians. The Bank has also initiated Homeopathic and Physiotherapy consultation at YES BANK House ("Corporate Office"). Specialist consultations are being organised under this facility.

**Employee Wellness:** To help YES BANKers take better control of their health and wellness, a series of webinars under the brand 'Wellness Webinars' are being organised in collaboration with experienced health professionals, SMEs and healthcare specialists, thereby covering topics on boosting immunity, handling lifestyle problems, maintaining Heart Health, Mental Health & Wellness, and Preventive Healthcare, etc. Additionally, various intra and inter-corporate sports events are being organised for employees and have substantial participation levels.

**Fitness Centre:** To aid employees achieve their fitness goals, the Bank has also set up a fitness centre and a Yoga Studio at the Corporate Office.



## Parental Leaves

The Bank celebrates the gift of parenthood and undertakes several initiatives to support its employees as they take on new responsibilities as parents.

In line with the Maternity Benefit Act, female employees are eligible for maternity leave and access to crèche facilities. The Bank also provides surrogacy leave to commissioning mother and adoption leave to women employees.

Women employees are presented with a gift voucher on resuming duties at YES BANK post their maternity leave.

The Bank also provides childcare allowance, which enables working mothers to manage their childcare responsibilities and focus more effectively on work. Women employees are given an option to claim reimbursements up to a defined limit, for paid service of one caregiver with a child/children up to 3 years of age.

Although there is no paternity leave law in India, the Bank's male employees are entitled to 7 days of paternity leave.



## People

The Bank's analysis of its return-to-work rate after maternal and paternal leaves is presented below:

Particulars	FY 2022-23		FY 2021-22	
	Maternal#	Paternal#	Maternal	Paternal#
Employees taking Parental leave	251	1,139	234	1,009
Employees resuming work	248	1,139	233	1,009
Employees continuing with the Bank after resuming work in the reporting period	232	900	216	810
<b>Return to Work Rate ^</b>	<b>98.8%</b>	<b>100%</b>	<b>99.6%</b>	<b>100%</b>
Employees continuing with the Bank 12 months after resuming work	NA*	NA*	116	602
<b>Retention Rate (after 12 months) ^</b>	<b>N/A*</b>	<b>N/A*</b>	<b>49.8%</b>	<b>59.7%</b>

\* To be reported in FY 2023-24 reporting cycle.

^ The percentage of "return to work rate" has been calculated based on employees that returned to work after the parental leave ended.

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

### Occupational Health & Safety

In order to ensure overall occupational health, safety and well-being of its employees and contractual workers, the Bank has put in place emergency preparedness and response mechanisms, with individual locations having a designated 'Emergency Handling Team'. It has identified emergency scenarios including fire, flood, armed robbery, bomb threats, earthquakes and first aid. YES BANK, as part of its ISO 14001 Environmental Management System implementation, considers fire as a significant aspect and has put in place Emergency Preparedness and Response procedures. There are periodic trainings and feedback sessions conducted for employees (including contractual workers) and security personnel to equip them to deal with fire-related emergencies. Individual locations are required to mandatorily conduct a fire evacuation drill once in every six months, with participation of staff and contractual employees.

During the year, there was one fire incident in Jaipur Back Office and two branches in Maharashtra were affected by flood. However, these occurrences did not result in any reported injuries/lost time. In FY 2022-23, the Bank instituted an Occupational Health and Safety (OHS) Policy and initiated the implementation of an OHS Management System based on ISO 45001 standard. The Sustainability Council (which meets twice

a year) reviews and monitors the activities undertaken by the Bank under the Environmental Management Policy (EMP) and its compliance to ISO 14001:2015 requirements (including any health and safety related issues that may arise). To ensure compliance and ongoing improvement, internal and external audits are conducted on a regular basis.



## Work-life Balance

The Bank has implemented a 'Working from Anywhere' policy to enable employees to work from alternate locations, in addition to working from their designated workplace. The policy allows flexibility to employees to work from alternate locations.

This policy provides certain allowances to remote working employees to meet expenses towards the internet and workspace set-up. Additionally, employees working at the corporate office are provided flexible work timings.



## Listening to Employees

### Employee Service Desk

The Bank has a dedicated 'Employee Service Desk' to provide consistent and superior employee experience. The Helpdesk allows employees to raise HCM related queries through HRMS Mobile and Web portal.

### Launch of Alumni Portal

To engage with ex-YES BANKers and keep them updated with latest developments in the Bank, an Alumni Portal has been launched. Additionally, the portal provides ex-YES BANKers with access to certain HR documents and offers an opportunity to refer friends/relatives, who may want to explore career opportunities at the Bank.

### Employee Engagement Survey

The Bank has concluded the second edition of 'VOICE of YES' Employee Engagement survey in 2023. The insights are shared across various levels of the Bank to

initiate a dialogue about the work culture and how we can make YES BANK a place where employees are highly engaged. The survey highlighted:

- 79% of target employees participated in the Voice of YES Employee Engagement Survey
- 60% of the employees were actively engaged

### Employees Grievance Redressal

With the objective of providing a productive and conducive work environment for all the employees, the Bank has a defined Employee Grievance Redressal Policy and a redressal mechanism in place. During the FY 2022-23, 64 employee grievances were reported, of which 62 employee grievances were satisfactorily resolved during the year, while the remaining two cases are under review.

## People

### Employee Engagement

**Samwad:** To strengthen every YES BANKer's sense of ownership, motivation and trust, a quarterly newsletter covering employee focussed initiatives and an update on the Bank's performance is shared with all the employees.

**Great Place to Work:** The Bank has also been recognised among the TOP 50 in 'India's Best Workplaces in BFSI 2023' rankings by the Great Place to Work® ("GPTW") Institute. This is a reflection of high-trust, high-performance culture that the Bank has nurtured.

**Y-Factor Talent Hunt 2023:** Y-Factor, a talent hunt programme for YES BANKers to showcase their talent and creative abilities beyond work skills organised every year for all employees. In February 2023, over 400 employees participated, exhibiting their talent across categories like singing, dancing, solo acts, photography, and art. The winners of each category performed main stage at the Foundation Day celebration at the corporate office. Additionally, select artwork was showcased on the 'Wall of Fame' during the Foundation Day celebrations.

**YES Foundation Day Celebration:** The Bank celebrated 3<sup>rd</sup> Foundation Day to commemorate the day when the Bank's moratorium was lifted, i.e., March 18. Various activities were planned throughout the day to celebrate each YES BANKer, reinforce a sense of pride in the institution and relive the Bank's values.

At YES BANK House, a flash mob was performed on each floor to foster a spirit of unity and success among the staff. The YES BANK Anthem marked the celebration's end.

**Celebrating Women at YES BANK:** The International Women's Day 2023 was celebrated at multiple YES BANK locations. Webinars such as 'I am Enough', 'Breaking the Glass Ceiling' and 'Reset Life – Holistic Wellbeing' saw inclusive representation at pan-Bank level. Experiential workshops viz. Decoupage on Bottle art, Block printing on Tote bag, Stained Glass Art, Nail Art workshops, Zumba, Skin Care - inside Out and Sound Healing were organised for women colleagues.

**Mother's Day Celebrations:** In honour of Mother's Day, 'Mothers Cricket Challenger 2022' was organised as a corporate sporting event in partnership with 'SARAN Sports' for working mothers and spouses of YES BANKers who are Mothers, to take part in a fun and thrilling Box Cricket Tournament.

**Celebrated Independence Day:** On the occasion of India's 76<sup>th</sup> Independence Day, a celebration was held at the Bank's corporate office which was adorned in shades of the Indian Tricolour. Employees were dressed up in traditional attire on this day.



## Rewards & Recognition

**YES LEAGUE of Excellence:** At YES BANK, Rewards & Recognition is driven digitally through an online portal called the 'YES LEAGUE of Excellence'. It provides a formal recognition platform to 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 account of professional achievements or personal occasions. Reporting managers can nominate team members for rewards on the basis of performance. In FY 2022-23, nearly 11,000+ employees received rewards and 3,000+ appreciation messages/wishes were exchanged through the Rewards & Recognition portal.

Y-Star	1,018
Young Leader	444
Trailblazer	2,168
Team of Champions	833
Spot On	5,291
Rising Star	1,491

**Long Service Recognition:** In an endeavour to nurture the 'Culture of Appreciation', a Commendation Certificate and personalised memento is presented under the Bank's Long Service Recognition programme, to

employees completing 5, 10 and 15 years of meritorious service with the Bank.

**Employee Performance Management:** The annual performance review for the Bank begins with self-assessment, followed by Reporting Authority (Manager) and Reviewer (skip-level Manager) Assessment, and concludes with a Committee Review. Committees comprising cross-functional leaders and Human Capital representatives review the assessment of senior executives and sign-off their performance descriptors. This stage of the process ensures objectivity, transparency and collaboration. The performance assessment of executives is based on performance descriptors and their definitions. The definitions not only focus on executive's achievements vis-à-vis expectations of the Bank, but also emphasise on the need to uphold core values of the Bank and consistently adhere to regulatory compliance and governance norms. The focus is not only on the Results (What), but also on the process of achieving them (How).

The performance review process has been aligned further with the Bank's priorities. The Management team's goals include Governance and Compliance Key Performance Indicators ("KPI") along with their respective functional/business KPIs. As Environmental, Social and Governance ("ESG") is an important element of our strategy, domain-specific ESG KPIs have been identified and being integrated in to the Management team's goals.



## People

### Percentage of total employees who received a regular performance and career development review during the reporting period

#### Gender-wise breakup

Category	FY23			FY22		
	Current Financial Year			Previous Financial Year		
	Total	No.	%	Total	No.	%
<b>Employees</b>						
Male	16,475	16,475	100%	14,759	14,759	100%
Female	4,060	4,060	100%	3,274	3,274	100%
<b>Total</b>	<b>20,535</b>	<b>20,535</b>	<b>100%</b>	<b>18,033</b>	<b>18,033</b>	<b>100%</b>

#### Management Category-wise breakup

Category	FY23			FY22		
	Current Financial Year			Previous Financial Year		
	Total	No.	%	Total	No.	%
<b>Employees</b>						
Top Management	83	83	100%	62	62	100%
Senior Management	275	275	100%	245	245	100%
Middle Management	3,635	3,635	100%	2,665	2,665	100%
Junior Management	16,542	16,542	100%	15,061	15,061	100%
<b>Total</b>	<b>20,535</b>	<b>20,535</b>	<b>100%</b>	<b>18,033</b>	<b>18,033</b>	<b>100%</b>

Note: Annual performance review (at the end of the financial year) is done for all eligible employees who have completed a minimum of six months with the organisation

### Learning & Development

The Bank has always emphasised on a knowledge-driven approach for visualising the future and focussing on developing capacity and capability to nurture the brightest and best quality talent. Key Human Capital, organisational development, and learning initiatives at YES BANK are domiciled under the aegis of YES School of Banking ("YSB"). Institutionalised in 2007, YSB was created with a vision to build a 'Centre of Excellence' for learning solutions in banking and related areas. YSB is accredited (by Bureau Veritas) with the latest Risk-Based Thinking in its approach and continues to ensure business satisfaction by creating and deploying learning solutions that meet stakeholder requirements through sustained improvement in employee knowledge, skills, and behaviour. The Bank spent ₹ 2,734 per FTE on Training & Development in FY 2022-23.

**Learning Management System:** 'My Learning@YES' (in partnership with 'Cornerstone on Demand') is the

Bank's online Learning Management System (LMS) which supports digital learning and provides learners with increased access to learning content (in-house courses and externally integrated content partners), learning scorecards to measure actualisation against learning paths. The system offers social learning, advanced reporting & analytics, conducting and management of classroom training, classroom attendance tracking, and training schedule management. The LMS also has a "mobile-first" approach enabling learning on the go, allowing users to go through modules and appear for tests from the App ensuring better time utilisation and higher learning engagement for the employees.

**Key Learning Interventions:** YES School of Banking focusses on role-specific and skill-specific trainings and certifications. A total of 12,92,776 training hours were clocked in FY 2022-23. Some of the key learning interventions during the year included:

- **Regulatory / Compliance Programmes:** In line with the Capacity Building guidelines by RBI, employees in specific roles were enrolled for mandated certification programmes. Additionally, relevant CXOs, select Top Management Officials and members of the Board completed the Certification in IT and Cyber Security.
- **YESsentials:** YESsentials is a high-impact induction programme for new employees. It covers training on Bank's Code of Conduct, key regulatory and compliance issues, Bank's Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, Operational Risk Management, Awareness on Information Security, Prevention of Sexual Harassment at Workplace (POSH), various products and processes and Human Capital Management policies and procedures. The employees are required to complete recertification for these topics on a periodic basis.
- **Fundamentals of Enterprise Risk Management:** To empower Risk Management professionals with risk assessment and mitigation skills, a certification programme on the Fundamentals of Enterprise Risk Management was conducted. The programme included training in topics such as understanding the purpose and scope of Risk Management, establishing the relevant framework, risk maturity, communication and reporting related to risk. Employees who passed Level 1 examination received IRM's (The Institute of Risk Management) gold standard level 1 professional certificate.
- **Certified Anti-Money Laundering Investigator (CAMI) Workshop:** Over 75 team members from Anti-Money Laundering Team completed the CAMI Certification (Certified Anti-Money Laundering Investigator) and gained a thorough understanding of the pragmatic implications of becoming an AML investigator when doing transaction analysis. The programme focussed on understanding the sources of money laundering and traditional money laundering techniques, SWIFT, risk-based approach, risk scoring model, sanction screening process, transaction monitoring process. Roles and responsibilities of Financial Intelligence Unit, Enforcement Directors, Compliance Officer, FATF, Transparency International, Egmont Group, Wolfsburg Group, USA Patriot ACT and OFAC were discussed during the programme.
- **Introduction to Blockchain:** A two-day intervention was launched for the employees in Transaction Banking Group on understanding how Block Chain applications are disrupting delivery of some traditional services. The programme gave the participants an overview of Blockchain and its applications, Cryptocurrencies (elaborating on Bitcoin), wallets-mining-trading, Altcoins, and legal positions, with an insightful discussion on some existing Blockchain applications and the emerging areas therein.
- **Discovering 'YOU'** A one-of-its-kind learning initiative based on the concept of bringing self-awareness and direction through a structured approach was conducted for employees in the Technology Team. The programme aimed at deep diving into the 9 emotions and learning how to leverage them effectively, identifying the team landscape to collectively articulate goals for team development and managing stakeholders using different strategies.
- **Collaborate:** An on-the-job training intervention was launched for employees in Operations & Service Delivery Business unit with a view to promote cross-functional synergies that help in bringing in operational efficiency within different verticals of the unit. The programme focussed on maximising efficiencies in the processes, systems, and controls in the unit. The programme helped the employees understand the importance of leveraging resources effectively to bring in more operational efficiency.
- **Branch Capability Index (BCI):** Post successful launch of BCI in FY 2021-22, the initiative was replicated for other units in Retail Banking. It was an 8-9-month long journey covering critical roles to further equip the retail team members help the Bank succeed in its accelerated growth journey.
- **Certificate programme on Micro-Finance:** Facilitators from IIBF conducted a three-day certificate programme on Microfinance for the

## People

employees in Inclusive and Social Banking team. The programme focussed on role and impact of micro finance on rural customers, recent RBI regulations and circulars on the topic.

- **Building Risk & Compliance Culture Workshop:** A workshop on Building Risk & Compliance Culture was organised for Top Management leaders with an objective of apprising them with relevant regulations and best practices and standards to further strengthen the Bank's risk and compliance culture.
- **BASEL Capital Adequacy Training (BASEL II, III & IV):** A comprehensive 5-day programme was organised for Risk Management Team with a primary focus on understanding Risk and the various aspects therein. The programme included topics like Regulatory Capital, RWA & Capital Ratio, Exposure Classifications under STD Approach, Review of Asset Classes reported under IRBF Approach, Risk components derivation under IRBF Approach (PD, LGD, Maturity, EL, EAD), CRM application under IRBF Approach, Standardised Measurement Method (SMM), Internal Model Method (IMM), Basel III Framework Overview, Objectives & Calculation of LCR, NSFR, Understanding Leverage ratio and its calculation, Basel III Reforms, Operational risk and Review of BI, BIC, ILM & Regulatory Capital, among other topics.

**Leadership Development Initiatives:** Emerging and the Senior leaders at the Bank participated in the customised blended leadership and behavioural learning interventions under 'LEADVANTAGE' which is YES BANK's talent development strategy that is aimed at addressing the learning needs of leaders at different management levels. The focus this year was on spearheading change, nurturing strategic resources, building a leadership pipeline, and creating conscious, future-ready leaders.

The leaders in Middle Management band attended the High Impact Presentation Skills workshop, a two-day learning intervention focussed on developing and honing presentation skills. The participants learnt through the art of storytelling during

presentations, tips to engage the audience, leveraging the power of verbal and non-verbal communication to present with impact.

### Key interventions under this umbrella include:








- **Advanced Leadership Program:** 'Advanced Leadership Program' (ALP), a three-day structured intervention was conducted for identified Top & Senior Management executives. The programme assisted in enhancing the leadership's capacity to play a significant part in the Bank's transformation and future success.
- **Emerging Leaders Programme:** Select Emerging Leaders from businesses participated in the 'Emerging Leaders programme'. This programme focussed on three main objectives: Leading Self, Leading Others and Managing Business Competencies.
- **Owner Leadership Programme:** Leaders from retail businesses attended the 'Owner Leadership Programme' with an objective of strengthening the leadership capability and establishing the right cultural mix, manage conflicting stakeholder priorities and driving partnership and collaboration across boundaries. Effective stakeholder management, managing conflicting priorities, influencing, and using partnering strategies with stakeholders, demonstrating ownership under ambiguous situations, driving accountability through others, empowering the team, connection between culture and ownership and leadership communication were the key takeaways of the programme.

### Effectiveness of Training Programmes


The YSB team measures training programme effectiveness by adopting Kirkpatrick's globally recognised four level evaluation model (L1 - Experience, L2 - Learning, L3 - Behaviour & L4 - Business Results) to objectively identify and analyse the impact of training programmes. It is one of the most prevalent training evaluation models in use worldwide. Several tools and techniques are used to ensure that programmes can be evaluated at all levels, and that the trainings have the desired impact.

## Key Learning Matrix

## Employees trained and programmes conducted



FY 22-23		6,651
		24,694
		26,674
FY 21-22		5,817
		21,688
		23,237
FY 20-21		4,712
		20,769
		21,814

 Total classroom-training programmes conducted

 Unique executives trained in classroom trainings

 Unique executives trained (E -Learning)

## Unique employees trained - Gender-Wise Breakup

FY 22-23		24,694
		19,622
		5,072
FY 21-22		21,688
		17,625
		4,063
FY 20-21		20,769
		16,969
		3,800

 Total

 Male

 Female

## Unique employees trained- Management Category-Wise Breakup

Management Band	FY 2022-23	FY 2021-22	FY 2020-21
Top management	85	58	58
Senior management	275	225	151
Middle management	3,637	2,457	2,506
Junior management	20,697	18,948	18,054
<b>Total</b>	<b>24,694</b>	<b>21,688</b>	<b>20,769</b>

## Training Programme (Classroom) - Category-Wise Breakup

Management Band	FY 2022-23	FY 2021-22	FY 2020-21
Behavioural and leadership skills	293	390	992
Employee induction	174	120	171
Mandatory policies and compliance	167	118	310
Process training	643	448	452
Product training	5,374	4,741	2,787
<b>Total</b>	<b>6,651</b>	<b>5,817</b>	<b>4,712</b>

## Training Hours (Classroom &amp; E-Learning)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Participant training hours (Classroom)	4,63,669	2,83,182	2,77,596
Participant training hours (E-Learning Room)	8,29,107	8,10,415	6,18,599
Participant training hours (Classroom & E-Learning)	12,92,776	10,93,597	8,96,196
Participant training hours per executive	<b>46.98</b>	<b>44.92</b>	<b>40.24</b>

Data points include YES BANK Limited full-time employees (India and employees at Representative Office) and exclude fixed term contractual employees (trainees, advisors, etc.).

## Average hours of training - Gender-wise breakup:

Type	Participant Training Hours	Headcount	Avg. Participant Training Hours
Male	10,20,626	21,727	46.98
Female	2,72,150	5,790	47.00
<b>Overall</b>	<b>12,92,776</b>	<b>27,517</b>	<b>46.98</b>

## Average hours of training - Management Category-wise breakup:

Band	Participant Training Hours	Headcount	Avg. Participant Training Hours
Junior Management	11,47,830	23,141	49.60
Middle Management	1,29,271	4,003	32.29
Senior Management	11,071	285	38.84
Top Management	4,605	88	52.33
<b>Overall</b>	<b>12,92,776</b>	<b>27,517</b>	<b>46.98</b>



## People

### University & School Relationship Management (USRM)

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

YES Professional Entrepreneurship Program (Y-PEP) is YES BANK's flagship campus recruitment program that endeavours to hire the most sought-after talent from the best business schools in India. The program positions the BANK as an 'Employer of Choice' across premium business school campuses and helps develop a robust talent pool to drive the Bank's future growth. So far, 1,250 Y-PEPs have been recruited since inception of the programme. For the batch of 2023, a total of 135 Y-PEPs have been shortlisted. These young minds have joined the Bank in May 2023. A year-long Y-PEP Talent Engagement Plan has been developed for these hires for continuous learning on the job.

The Bank, through its summer internship program, 'YES Emerging Professional Entrepreneurship Program' (Y-EPEP) engages with management graduates from top business schools in India. The interns undertake projects in the areas of Product Management, Trade, Relationship Management, Risk, and Alliances & Partnerships. Over 350 management graduates have interned with the Bank under this program. For the Y-EPEP batch of 2023, 87 summer interns have joined the Bank.

### Partnering with educational institutions

YES BANK has partnered with Manipal Academy of BFSI (MABFSI) to undertake the following initiatives:

- **'YES Professional Banker' program:** As part of the Hire-Train-Deploy model, the Bank launched the 'YES Professional Banker' program, a one year post graduate program which offers candidates a choice to join the Bank's retail business or operations stream. On successful completion of the program, candidates are awarded a Post Graduate Diploma in Banking from Manipal Academy of Higher Education (MAHE). The 'YES Professional Banker' Program helps young and inquisitive graduates become new age bankers by providing the edge needed for a competitive and rewarding career in the banking industry
- **YES GURUKUL Program:** YES BANK launched the exclusive 'YES GURUKUL' program which is a 5 day residential program at Manipal campus, Bengaluru for its new Branch Managers (BMs) and Relationship Managers (RMs). This program empowers BMs and RMs with the skill-sets required to achieve their KRAs/ goals

### Digitalisation initiatives

The Bank constantly endeavours to provide its employees with best-in-class HR solutions based on state-of-the-art technologies. In FY 2022-23, the Bank launched a new cutting-edge 'YES for YOU' (HRMS) platform in partnership with Darwin Box - one of the fastest growing HCM technology platforms globally. The new platform enabled the employees to access information through a single cloud-based system (SaaS platform), provide them with a standardised and intuitive digital experience (on a mobile device or a computer).

#### Key Data Points - Human Capital

The Bank's human capital strength increased by 13% over the previous year to **27,517 employees** (As at March 31, 2023)

All employees of the Bank are paid above minimum wages of respective locations

All YES BANK employees are free to exercise the lawful rights to Freedom of Association

The Bank's average hiring cost per FTE is around **₹ 13,000** (FY 2022-23)

All top management executives of the Bank were hired locally during the year

The median pay for employees in the Bank is **₹ 7.5 lakh** (As at end March 2023)

**15.4%** of the Bank's revenue generating positions were held by women executives

**33%** of open positions were filled by internal candidates

The absentee rate in the Bank for FY 2022-23 is **1.54%** (basis sick leaves availed by employees)

## People Demographics – Region

FY 2022-23				
Management Band	North	East	West	South
Top Management	4	0	80	3
Senior Management	41	5	217	22
Middle Management	1,040	186	2,159	609
Junior Management	7,109	1,468	10,161	4,384
<b>Total</b>	<b>8,194</b>	<b>1,659</b>	<b>12,617</b>	<b>5,018</b>

Note: 29 employees working at the Bank's Abu Dhabi Representative Office are not included.

Includes Full Time Employees of the Bank

Data is as per employee count as at March 31, 2023

Region-wise breakup of the 130 trainees/advisors: North (29), East (14), West (75), South (12)

## People Demographics - Nationality

FY 2022-23	
Nationality	Employees
Indian	27,511
Nepalese	4
Emirati	1
Japanese	1
<b>Total</b>	<b>27,517</b>

## Total Attrition in FY 2022-23

FY 2022-23							
Particulars	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Top Management	0	0	3	1	3	0	9.1%
Senior Management	0	0	16	3	4	1	8.8%
Middle Management	2	0	603	97	5	1	20.1%
Junior Management	3,198	1,296	5,004	818	6	1	46.8%
<b>Total</b>	<b>3,200</b>	<b>1,296</b>	<b>5,626</b>	<b>919</b>	<b>18</b>	<b>3</b>	<b>11,062</b>
<b>Attrition Rates</b>	<b>57.9%</b>	<b>51.8%</b>	<b>37.4%</b>	<b>34.6%</b>	<b>10.1%</b>	<b>16.7%</b>	<b>42.7%</b>

Note: Attrition is based on average headcount as at March 31, 2023 and includes only voluntary exits.

## Total Hires in FY 2022-23

FY 2022-23								
Management Band	Under 30		30-50		Above 50		Total	Hire Rates
	Male	Female	Male	Female	Male	Female		
Top Management	0	0	7	0	4	0	11	12.50%
Senior Management	0	0	19	1	2	0	22	7.72%
Middle Management	4	3	691	136	17	2	853	21.31%
Junior Management	5,120	2,344	5,239	1,013	5	1	13,722	59.30%
<b>Total</b>	<b>5,124</b>	<b>2,347</b>	<b>5,956</b>	<b>1,150</b>	<b>28</b>	<b>3</b>	<b>14,608</b>	<b>53.09%</b>
<b>Hire Rates</b>	<b>89.13%</b>	<b>82.99%</b>	<b>37.77%</b>	<b>39.08%</b>	<b>13.33%</b>	<b>15.79%</b>	<b>53.09%</b>	

Note:

1. Hiring information is based on the employees on-boarded during the FY23.

2. Data points include full-time employees (India and Representative Office) and exclude fixed term contractual employees (trainees, advisors, etc.)

# Environment

YES BANK remains committed to environmental accountability and climate action. The Bank applies an environmental and climate lens to the way it manages its operations, and conducts its lending activity, with a fervent endeavour to minimise the negative environmental impacts of its business, and to align with global and national climate commitments. The Bank is also a strong advocate for building and sharing knowledge on environmental and climate-related issues and continues to work with stakeholders across the spectrum to find ways to integrate environmental considerations into business and the larger economy.

**Linkages**

C3	M1	SBO7	R1
	M2	SBO10	R11
	M5		



~35%

Reduction in financed emission intensity of electricity generation funding

~ ₹ 2,280 crore

Bank's lending book size for renewable energy generation (as March 31, 2023)

~ 685 ktCO<sub>2</sub>e

Annual attributable emissions avoided through the Bank's renewable energy book

13.66%

Reduction in Scope 1 and Scope 2 emissions (Y-O-Y)

23.61%

Reduction in emission intensity/ FTE (Y-O-Y)

4,435 tCO<sub>2</sub>e

Emissions avoided by switching to renewable energy

833

ISO 14001:2015 Environmental Management System certified facilities

Rated 'A-' (Leadership Band) by CDP

Highest amongst Indian Banks for climate disclosures

### Integrating E&S Considerations into Lending

YES BANK has adopted a proactive approach to address environmental and social impacts that could result from its lending activities. Towards this, the Bank has instituted an Environment and Social Risk Management System (ESMS) to assess and mitigate Environment and Social (E&S) risks of its financing activities, centred around its Environment and Social Policy. The Bank's Environment and Social Policy (ESP), implemented in 2006, serves as a structured approach towards responsible lending.

#### Environment and Social Policy

The ESP, as an integral part of the Bank's Environment & Social Management System sets out the overarching framework for identification and management of potential and/or existing E&S risks commensurate with the nature and scale of transactions and their potential impacts. Through this policy, the Bank integrates environmental and social risks into its overall credit risk assessment framework, which goes beyond financial risk mitigation. It has voluntarily adopted the policy, based on international frameworks such as IFC Performance Standards. The ESP is a crucial part of the Bank's credit risk appraisal process and the Bank further continues to mainstream environment and social considerations across its lending by strengthening ESP integration with the overall credit risk assessment framework. The policy encompasses all the lending transactions of the Bank integrating E&S considerations in its financing activities

and establishes a risk-based approach where high value transactions that carry high ESG risks are subject to enhanced evaluation and approval through a specialised team of internal/external E&S risk assessment experts.

The policy provides for a 'list of prohibited activities' that the Bank does not finance, irrespective of the credit-related outcomes. The list is derived from the IFC's exclusion list and include sectors or activities that have highly negative impact from Environment and Social lens. The policy identifies and classifies the Bank's lending activity into various segments, and accordingly advises the applicable procedures for E&S risk assessment. Typically, for project finance/project related corporate loan transactions as defined in the policy, the E&S risk team undertakes an initial assessment to determine the degree of adverse environmental or social impact arising from business activities of the borrower and accordingly categorises transactions based on the level of E&S risks involved. For projects with significant E&S risks, the Bank conducts enhanced due diligence/ assessment in line with IFC PS and national regulations through internal/independent E&S risk analysts and develops corrective action plans with the borrower, performance on which is monitored throughout the credit cycle. The Bank strives to positively influence borrowers by engaging them in adopting appropriate sustainable practices to meet higher ESG industry expectations.

## Environment

### Overview of projects for which detailed E&S Due Diligence / Assessment was conducted (FY22)

In FY 2022-23, detailed E&S due diligence/assessment were conducted for 12 transactions out of which 8 were project finance cases while 4 were project-related corporate loan transactions.

#### CASE STUDIES

##### API and Intermediate Bulk Drug Manufacturing Unit

The Borrower approached the Bank to seek term loan sanction for setting up a bulk drug manufacturing unit. As per the provisions of the E&S Policy, the Bank conducted a preliminary desk-based assessment to determine the severity of potential adverse environmental or social impact arising from business activities of the Project.

The preliminary assessment highlighted the need of a detailed Environment & Social Due-Diligence (E&SDD) in line with IFC PS, apart from assessment of regulatory E&S compliances and clearances. Accordingly, a detailed E&S DD of the project was commissioned by the Bank to identify and mitigate potential E&S risks identified with the Project. The E&S DD identified deficiencies such as lack of formalised Environmental and Social Management System (ESMS) to identify, assess and mitigate potential E&S aspects and absence of formal Grievance Redressal Mechanism (GRM).

The Bank in consultation with the Borrower formalised an Environmental & Social Action Plan (ESAP) addressing the key concerns identified in the E&S DD assessment. The timelines for the ESAP implementation have been mutually agreed and the same is being monitored on a periodic basis.

##### Polyvinyl Chloride (PVC) Resin Paste Manufacturing Unit

The Bank sanctioned facilities to a Borrower for setting up a Polyvinyl Chloride (PVC) resin paste manufacturing unit. As per the provisions of the Bank's Environmental & Social Policy, a preliminary desk-based assessment was undertaken to identify potential significant environmental and social risks.

Review of the preliminary desk-based assessment indicated the need for a detailed E&S DD. The E&S DD assessment highlighted the need to improve the overall on-site health and safety (H&S) aspects during the construction phase.

The Bank engaged with the Borrower to develop and implement on-site H&S aspects such as formal procedure for hazard identification and risk assessment (HIRA), EHS training calendar and work permit system. Improvements were also made to the existing on-site emergency preparedness and response plan (EPRP) by incorporating appropriate signages in vernacular and Hindi languages and further suggested to revise the EPRP periodically in order to commensurate with increase in the on-site labours.

### Wind Energy Project:

The Borrower approached the Bank to sanction facilities for developing a wind energy project. The Environmental & Social Impact Assessment (ESIA) Report prepared for the project identified presence of sensitive biodiversity habitats in proximity to the project site. As recommended in the ESIA Report, a Critical Habitat Assessment (CHA) was conducted to assess critical habitat values as outlined in IFC Performance Standard 6 Guidance Note (IFC PS6 GN). The CHA evaluated the project to assess project compliance with the quantitative thresholds outlined in the IFC PS6 GN.

Subsequent to the CHA, a detailed Bird and Bat Diversity and Mortality Assessment was commissioned to assess bird population at risk. The assessment comprised desk-based

assessment of the project site using available tools such as Integrated Biodiversity Assessment Tool (IBAT) and ebird.org, review of bird population in the project area, review of available literature including the ESIA Report and CHA Report, two season field survey for detailed habitat mapping, consultation with local communities and field staff of local Forest Department etc.

Based on this assessment, a detailed Biodiversity Action Plan (BAP) was developed providing mitigation measures that can be implemented at the project site across the lifecycle (construction to decommissioning) to reduce the impact on species. The Bank in consultation with the Borrower shall be monitoring the implementation of the BAP.

## Climate Strategy, Risk and Transition

Climate change poses a significant challenge to economies globally, with India being especially vulnerable. YES BANK is committed to aligning its business to the Paris Climate Agreement's goal of limiting global temperature rise to well below 2°C and pursuing efforts to limit it to 1.5°C, by reducing the carbon emissions intensity of its operations, measuring and limiting its financed emissions, support climate-aligned sectors and aligning its portfolio with global decarbonisation pathways.

## Climate Strategy

YES BANK, in its constant quest, to mitigate risks and leverage opportunities arising out of a low carbon transition, has put in place a holistic and long-term roadmap. Guided by this blueprint, the Bank strives to respond to the global clarion call of climate action and contribute towards sustainable development. Key pillars of the strategy focus on:



### Financing low carbon transition opportunities

The Bank strives to mobilise finances towards low carbon transition opportunities in India, leveraging global green funds and green credit lines through innovative finance structures.



### Building resilience from climate risk

The Bank will develop robust frameworks for measuring and assessing material climate risk related to its lending operation and apply a climate lens to business decisions. The Bank will strive to develop its capacity and understanding for assessing its portfolio under various scenarios and take actions to build climate resilience of its portfolio.

## Environment



### Sustainable operations

The Bank will continue to reduce its carbon footprint and is committed to adopting industry best practices and standards such as ISO 14001 Environment Management System for managing/mitigating its operation's environmental impacts.



### Policy advocacy, climate literacy, and robust disclosures

The Bank will engage with its stakeholders including clients, peer banks, regulators and Governments and climate scenario providers

for accelerating low carbon transition. The Bank leveraged its association with global initiatives such as UNEP FI Principles for Responsible Banking, Collective Commitment to Climate Action, and Science Based Targets Initiative, for developing forward-looking methodologies on climate assessment and integration. The Bank is committed to aligning its disclosures to industry-best practices such as the TCFD recommendations.

### Climate-related Risks Identification

YES BANK recognises climate risk as a critical risk and since FY 2018-19, the Bank's management committees have been considering climate risk in their briefing. The Bank's Internal Capital Adequacy Assessment Process details its importance within the framework, alongside other Pillar II risks. In line with the Financial Stability Board (FSB)'s Taskforce on Climate-related Disclosures (TCFD) recommendations, the Bank has classified these climate-related risks as Transition Risks and Physical Risks.

Through a desk research, the Bank enlisted material climate-related risks faced by the financial sector. The climate-related risks were ranked by the senior management, in the order of relevance to the Bank in the foreseeable medium-term. Based on this survey, top ranking climate-related risks, with maximum potential to generate significant change in the Bank's business operations, revenue or expenditure, were identified to establish a climate risk profile.

#### The top three risks identified for the Bank are:

- 1 Enhanced Disclosure Policies:** Introduction of enhanced disclosure policies by the government and/or regulatory bodies may result in legal proceedings or penalties for organisations failing to comply with the enhanced disclosure requirements.
- 2 Stringent Environmental Regulation:** With growing awareness on Environmental & Social (E&S) issues globally, countries have established robust E&S regulations that specify requirements for operating licenses, occupational health and safety standards, and emission/ discharge limits.

Stricter environmental regulations may affect repayment capability of clients who fail to meet the enhanced regulations.

- 3 Increased Severity of Extreme Weather Events:** In recent years, severe climatic events such as droughts, cyclones, high temperatures and floods, have impacted India's economy, especially in sectors such as agriculture and allied industries. Climate change may increase the frequency and severity of climatic events, which can adversely affect employee & client performance, and therefore the Bank's revenues.



### Climate-related Risk Management

YES BANK recognises climate risk as a significant risk and refers to the Financial Stability Board's (FSB) Taskforce on Climate related Disclosures (TCFD) recommendations for adoption of best practices around managing and disclosing climate risk. YES BANK broadly categorises climate risks into physical and transitional risks. Physical risks are a consequence of direct physical impacts of climate change and range from acute risks (such as extreme weather events) to chronic risks (like gradual rise in sea level and temperature). Transition Risks arise from external efforts to address climate change including, but not limited to, regulatory and policy changes, technological advancement or shifts in investor sentiment and consumer behaviour. The Bank considers climate risk as a material Pillar II risk in its Internal Capital Adequacy Assessment Process (ICAAP) document and in it details its overall governance and control framework.

In line with its sustainability-focussed vision and commitments, YES BANK has put in place systems for managing climate-related risks at the organisational, project and portfolio levels.

### Organisational level

The Bank has a formal process in place for the identification of climate risks and opportunities. ESG and climate change related risks and opportunities are evaluated by Risk Management, Infrastructure and Facilities Management (IFM) and Strategic Procurement Units, for the projects and initiatives under respective domains.

In FY 2018-19, 'Climate risks' were added to the Bank's Internal Capital Adequacy Assessment Process (ICAAP), which is an integral part of the management and decision-making process in the Bank. Climate-related risks are reviewed annually to establish adequacy of measures taken by the Bank, along with the ongoing annual review of the ICAAP.

The Bank has also constituted an Executive level Sustainability Council to ensure deeper integration of sustainability into all aspects of business and banking. The Council helps develop formal structures and actionable frameworks to include risks and opportunities arising out of climate change and sustainable development.



## Environment

To manage any potential service disruptions due to climate change, YES BANK has a robust Business Continuity Plan which is ISO 22301 certified, an International Business Continuity Standard. In FY 2022-23, YES BANK continues to have the highest number of locations certified under ISO 14001:2015 Environment Management System (EMS) standard, globally. The recertification is based on the Bank's Environmental Management Policy released in 2016, which commits to reducing the Bank's carbon emissions through broad-level actions.

Recognising the importance of enhanced transparency and disclosures, the Bank has been proactively reporting on its triple bottom line performance through its annual and sustainability reports. These sustainability disclosures are aligned with benchmark reporting frameworks, including Integrated Reporting, GRI Standards, TCFD recommendations, Principles for Responsible Banking.

### Project level

At a project level, E&S risk assessment is integrated into its overall credit approval framework. As part of the Bank's Environment & Social Management System (ESMS), a Board-approved Environment & Social Policy (ESP) mandates appropriate assessment of E&S risks for project finance. The Bank has dedicated E&S experts housed within the Credit Risk Unit who are responsible for implementing the provisions of the ESP. These experts undertake preliminary E&S assessment of projects basis the severity of risk. Further detailed Environment and Social Impact Assessment is conducted against IFC Performance Standards (A number of cross cutting topics such as climate change, gender, human rights, and water are addressed across multiple

Performance Standards) by internal/external E&S Risk experts and appropriate covenants are included in the credit documents which are monitored throughout the credit cycle. Further, for identified high risk projects, the Bank includes climate risk screening as a part of the Environment and Social Due Diligence. Bank has also put in framework for readily capturing information on key physical and transition risk related indicators from clients in preliminary assessment checklist for all projects/ project related loan (sanctioned amount above a threshold).

### Portfolio level

At a portfolio level, the Bank has identified climate sensitive sectors and is taking a sectoral approach to measure and mitigate climate risk. It has initiated measurement of financed emission of its carbon intensive sectors. Further, the Bank is leveraging scenario-based assessment to develop roadmaps for building climate resilience of portfolio. As a starting point, the Bank has specifically focussed on its energy exposure, as the sector is at the centre stage for climate action globally. The Bank has analysed the financed emission intensity in the energy sector and developed internal targets to reduce the sectoral emission intensity, in line with global de-carbonisation pathways. It is in the process of quantifying financed emission of rest of its portfolio, to identify carbon intensive holding and develop emission reduction targets (intensity/absolute) in line with the Paris Agreement, as per availability of data and methodologies. (For details on the Bank's risk management systems, policies and processes, including risk strategy, and audit & compliance - please refer to section - Risk Management Governance Framework on Page 58)

### Financed emissions and Portfolio decarbonisation targets

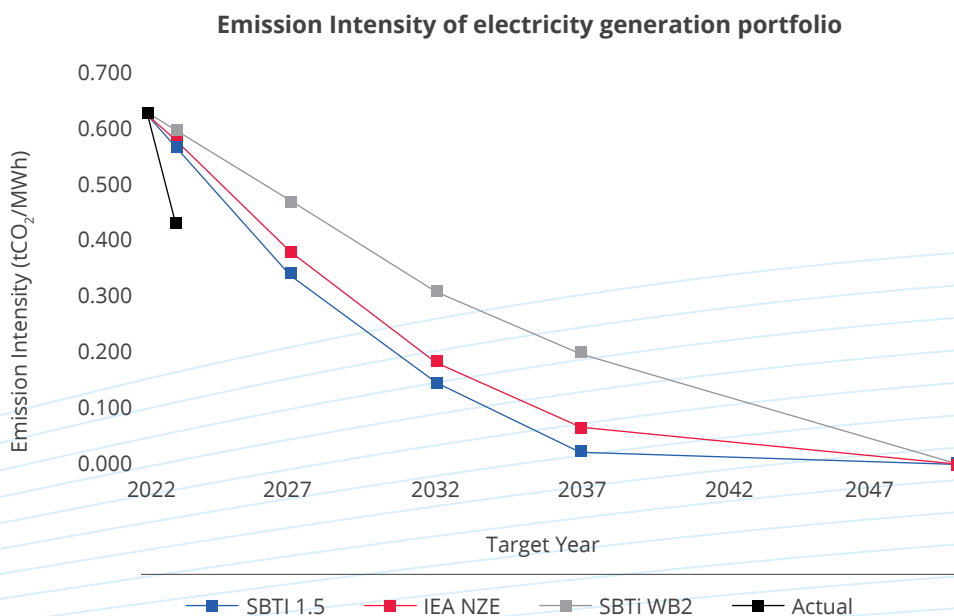
In line with global best practices, the Bank has initiated measurement and disclosure of financed emissions. Financed emissions are emissions of borrowers, that can be attributed to the Bank in proportion to quantum of financing provided. The Bank is utilising “The Global

GHG accounting and reporting Standard for the Financial Industry” as a guidance for measurement and treatment of financed emissions. The Bank has measured financed emission of its electricity generation portfolio (covering corporate loans, investment (treasury), project finance) and is striving to scale up the approach to climate intensive sectors.

Sector	Asset Classes	Portfolio Coverage in % (Outstanding)	Attributable emissions (ktCO <sub>2</sub> e)	Emission Intensity (tCO <sub>2</sub> e/MWh)	Data quality Score
Power generation	Corporate loan Project Finance investment (treasury)	1.23	559.99	0.404	2.04

For electricity generation portfolio (asset classes as mentioned), the Bank has used sectoral decarbonisation approach by SBTi to establish interim targets in line with well below 2 degree scenario, striving for a 1.5 degree scenario. Considering base year of FY22, the Bank has developed interim target of reducing financed emission intensity of its electricity generation portfolio, at least

by 50%, while striving for achieving 75% reduction by FY32. The Bank has developed an internal roadmap of mix of non renewable energy and renewable energy, that has been incorporated in risk appetite. Further, Bank has developed internal additional criteria for financing towards non-renewable energy sector.



## Environment

In FY22, the emission intensity of electricity generation fund based portfolio (corporate loans, project finance, investments) was estimated to be 0.628 tCO<sub>2</sub>e/MWh. At the end of FY23, the financed emission of the portfolio has declined to 0.404 tCO<sub>2</sub>e/MWh. This decline is attributable to decline in fossil fuel based energy generation portfolio from a mix perspective, on account of stringent internal lending criteria as well as sale of stressed non-renewable energy portfolio, to the ARC.

In the Indian context, there are challenges regarding availability and reliability of emission data. Further, there remains challenges in availability of generic sector specific financed emission intensity (such as financed emission per revenue or finance emission per unit of production). As the ESG reporting ecosystem in India evolves, disclosure on these aspects would further help the Bank to improve data quality of its financed emissions. The Bank would also be exploring other approaches for some of the sectors/asset classes to measure degree of alignment with the Paris Agreement.

### Climate-related scenario analysis

Methodologies and tools to link climate risk to traditional financial risk parameters, economic impact modelling, scenario analysis and stress testing are in early stages and are being progressively explored through global collaborations. There are challenges that need to be addressed in terms of climate related data availabilities (such as frequency of climate events at good spatial resolution, regional and global impact on sector), availability of regional climate impact scenarios and holistic climate risk assessment tools and methodologies. To that extent,

the Bank strives to be ahead of the curve through striving to build its capacity and understanding of financial impact of climate change and methodologies for scenario analysis, working in collaborations with peer banks, regulators, data providers etc.

In line with its climate commitments, the Bank has initiated developing its capacity for scenario analysis and is leveraging scenario-based target setting approach to develop long-term climate resilient strategies and roadmaps on a best effort basis. The Bank has analysed its emission from its own operation in various scenarios, such as Business as usual, 1.5 degree scenario, well below 2 degree scenario, 2 degree scenarios, and has drawn insights to develop an ambitious target of becoming net zero by 2030. Further, the Bank is striving to leverage methodologies and scenarios provided by the Science Based Targets Initiative for initiating assessment and taking concrete actions to develop roadmaps for climate intensive/ vulnerable sectors for alignment scenarios limiting global warming to well below 2 degrees/striving for 1.5°C.

To start with, the Bank has developed a roadmap to reduce financed emissions of its lending sub-portfolio (electricity generation) emissions aligning with ambitions outlined in Paris Agreement. The Bank would continue to build its capacity on this front, through piloting emerging methodologies and collaborating with regulators, peer banks, think tanks and data providers to accelerate developments at this front, both in regional and global context.



## Transition to low-carbon

The Banking sector has a crucial role to play in energy transition, climate adaptation and the shift to a low carbon economy. According to the latest estimates, India would need over USD 10 trillion of financing to achieve its net zero by 2070 target, with investments of over USD 8.4 trillion required by the power sector alone. A majority of this financing will have to be driven by domestic financial institutions to support the technology shifts that would be required if India has to achieve net zero. The Bank, through its financing to renewable energy, contributes to avoidance of emission in electricity generation, and assists in decarbonising India's electricity generation.

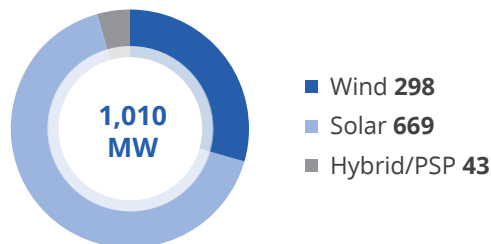
## Clean and renewable energy lending

In FY 2022-23, YES BANK sanctioned debt facilities of ₹ 1,482 crore for supporting renewable energy projects including solar, wind, hybrid projects of around 264 MW, and transmission and smart metering projects. YES BANK continues to offer innovative and responsible solutions to the industry and support the country's transition to a low carbon future through its business activities.

The Bank has continued to channelise its efforts in meeting the country's sustainability goals by sanctioning debt facilities amounting to ~ ₹ 35,650 crore, towards ~7.26 GW since 2015. Projects underwritten by the Bank have found a healthy appetite in the financing market with a significant portion of projects being successfully downsold/ refinanced. The Bank continues to have a positive outlook on the renewable sector and is now exploring growth in transmission as well as smart metering space.

As at March 31, 2023, the Bank's lending book size for renewable energy generation stood at ~ ₹ 2,280 crore with corporate advances representing 88%.

## Overall Clean Energy Portfolio as at March 31, 2023 (MW)\*



\*Capacity in MW is being represented in proportion to YBL facility amount as part of total debt

## CASE STUDIES

### Smart Metering

The performance of power sector is a key indicator of resilient economy and sustainable socio-economic development. Electricity enables transformation across all the sections of the society by empowering consumers through economic benefits which come along with it. In this context, Smart Meters play a crucial role in enabling consumers to have adequate access to optimally priced electricity.

In order to support the implementation of a Smart Metering project, YES BANK has sanctioned credit facilities to Advanced Metering Infrastructure Service Provider (AMISP). As part of the Project which was awarded through the bidding route by the state DISCOM, the borrower is required to

instal smart meters across several districts of the state over a period of 27 months. The recovery of the capex incurred by AMISP shall be done partially through grant provided by the Ministry of Power and the balance through Monthly Service Charge collected from the DISCOM over 93 months. While the project offers benefits to consumers in terms of accurate meter readings, close monitoring of consumption patterns and time of day billings (to be introduced later by DISCOMS), it enables the state DISCOMS in remote meter readings, fault detections, improvement in billing & collection efficiency, and better planning of generation resources basis the load profile of the region.

## Environment

### Avoided emissions

The Bank, through its financing of renewable energy, contributes to avoidance of emissions in electricity generation, and assists in decarbonising India's electricity generation sector. The clients/ projects in the Bank's renewable energy book (as at March 31, 2023) would lead to attributable electricity generation of 722 GWh and attributable avoidance of 685 ktCO<sub>2</sub>e, annually.

### Avoided emissions through Green Bonds

YES BANK was the first to issue a green bond in India in February 2015 and went on to raise ₹ 1,645 crore (USD 260 million), through a total of three green bonds for channelising finance towards India's renewable energy sector. The renewable energy projects financed through the green bonds proceeds would annually avoid 2,214 ktCO<sub>2</sub>e in total, with attributable avoidance of 414 ktCO<sub>2</sub>e.

### Electric Vehicle (EV) Financing

India's EV financing industry is projected to be worth ₹ 3.7 lakh crore in 2030, about 80% of India's current retail vehicle finance industry of ₹ 4.5 lakh crore (NITI Aayog). Investment in India's transition to e-mobility has the potential to create significant economic, social, and environmental benefits for the country. Currently, one-third of EV vehicles are being sold through financing and have the potential to grow cent percent with access to the right financing options. YES BANK offers EV loans at lower interest rates and contributes to the development of the electric vehicle ecosystem by financing auto ancillaries and charging infrastructure players. In FY 2022-23, the Bank's book size towards EV financing stood at to ₹ 120.41 crore.

### Sustainable Investment Banking

YES BANK was early to recognise the emergence of sustainability-focussed capital raise and deal making activities globally and in India. A dedicated Sustainable Investment Banking (SIB) practice resides within YES BANK's wholly owned subsidiary, YES SECURITIES. The SIB team has a rich sector-specific expertise and experience in providing investment banking and advisory services in the sustainability space, including renewable energy, clean technology, environmental services, healthcare, and education. SIB specialises in private equity fund raising, mergers & acquisitions, technology transfer, business advisory and corporate restructuring, among others. Since inception, it has successfully executed over 40

transactions in the sustainability sector, cumulating to a transaction value of over USD 8.0 billion.

During the reporting period, the renewable sector transactions remained the staple for the SIB team with multiple ongoing mandates for sale of over 500 MW of renewable assets. While M&A/ consolidation will continue as a common theme for the renewable sector, the commercial and industrial (C&I)/ open access (OA) projects will look for fund raise. Electric mobility is a fast-growing segment where SIB has made inroads assisting companies with their fund raising efforts including in the battery cell manufacturing space. SIB undertook its maiden platform transaction, a unique construct involving combination of fund raise and role-up of projects via M&A, across water and smart cities.

### Climate-focussed knowledge and advocacy

Climate change is a pressing and unavoidable challenge. However, YES BANK regards climate adaptation as a significant opportunity for financial intuitions to play a central role. The Bank continues to work with stakeholders across the spectrum to develop frameworks and methodologies for addressing climate-related risks; build and share knowledge on green financing opportunities and mobilise finance and attention towards climate-aligned sectors. Initiatives undertaken by the Bank towards climate action include:

- Working with Indian Banking Association as Member of the Standing Committee on Environmental, Social and Governance
- The Bank is also member of IBA Working Groups on "Developing National Green Finance Taxonomy for Banks" and "Transition Financing"
- Contributed as special invitee to Working Group on Sustainable Finance by CDP
- YES BANK continues to collaborate with the Department of Science & Technology (DST), Centre of Excellence (CoE) in Climate Modelling at IIT Delhi to develop an India Centric Climate Model (ICCM). As a part of its efforts, the DST has developed 10 papers on various aspects of the ICCM that have advanced the understanding of the Indian climate and the impacts of climate change on crops, health, glaciers, and wind energy resource of the country. In the process, about a dozen early career researchers have been trained in climate modelling as a part of capacity building, thus preparing the next generation of India's climate modellers.

### E-mobility and urban sustainability

The Bank's Corporate & Government Advisory (CGA) works across emerging sectors such as urban sustainability, e-mobility and advanced automotive for creating new banking opportunities and deepening relationships with key customer segments.

#### Key Highlights

- CGA has leveraged its expertise and strong ecosystem connects to support government schemes such as the Ministry of Electronics & Information Technology (MeitY) programme on Development of Electric Vehicles Sub System. In FY 2022-23, it undertook an advisory study for the MeitY on the evaluation of R&D support requirements in the e-mobility value chain, especially for Power Electronics Sub-Systems and Components
- The unit partnered FICCI in its India Century Project to identify a policy, industry and company-level challenges and roadmap to unlock the potential of the e-mobility sector by the year 2047
- The unit conducted a Market Entry and Partner Scan for e-mobility and advanced automotive components for two large automotive component players, and provided scheme advisory assistance for three large automotive component players
- CGA also assisted premier educational institutions such as IIT Guwahati, IIT Jammu, and Chandragupt Institute of Management, Patna in setting up incubation centres for handholding startups in the e-mobility space, by availing government grants
- The unit also assisted the Department of Power, West Bengal in developing the state's EV policy and worked with the Department of Transport, Himachal Pradesh in preparing a roadmap for the state's EV Charging Infrastructure

### Sustainable Agriculture

The Bank's FASAR unit houses industry specialists with sectoral knowledge and experience in the food and agriculture domain. In FY 2022-23, FASAR took up 49 new advisory engagements and executed projects across Agri Infrastructure, Agri Value Chains, Export Strategy, Food Processing, Food Lab Infrastructure, Fisheries, Meat, Poultry, Spices and Dairy amongst others. The unit also partnered with various government organisations as well as eminent industry forums to conduct national and international conferences focussed on the sustainable development of India's food & agriculture sectors.

### YES BANK's Voluntary Climate Commitments

YES BANK is the only Indian Bank to be a Founding Member and signatory to the Principles for Responsible Banking and to commit to aligning its business to objectives of the Paris Agreement and UN Sustainable Development Goals

#### Key Highlights

- Associated as knowledge partner for the 2<sup>nd</sup> edition of "FICCI - National Sustainable Agriculture Summit and Sustainability Awards programme 2022" where 24 organisations were recognised by Chief Guest, Shri Narendra Singh Tomar, Hon'ble Minister of Agriculture & Farmers Welfare, Government of India for their efforts in promoting sustainable agriculture. A YES BANK-FICCI knowledge report titled "Promoting Sustainability in Indian Agriculture: Focus Areas for Responsible Growth" was also released during the event
- Associating with FICCI India Century Summit as agri-sectoral partner and delivered a presentation on Vision 2047 for agriculture sector
- Associated with YES Securities to conduct a workshop on the "Tenets of Fund Raising" for agritech start-ups which saw participation from around 100 start-ups
- Conducted 6 masterclass workshops for FPOs on ongoing central and state subsidy schemes in collaboration with CII
- Acted as knowledge partner with APEDA for the National Conference on Export Potential of Natural, Organic and GI products from India, where a knowledge report was released
- Acted as knowledge partner with The Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Commerce & Industry, Government of India for the Pre-launch event of the International Year of Millets - 2023. YES BANK's knowledge report titled "Superfood Millets: A USD 2 Billion Export Opportunity for India" was unveiled by Shri Piyush Goyal, Hon'ble Minister of Commerce and Industries
- Acted as knowledge partner with FICCI for the India Maize Summit - 2022, where a knowledge report titled "Indian Maize Sector - Securing Supply Sustainability" was released

## Environment

### Green Climate Fund (GCF)

YES BANK is one of only five Accredited Entities for the Green Climate Fund in India. The Bank was approved as an accredited entity by GCF in November 2019, post a rigorous assessment of the Bank's key administrative and financial capacities (which includes general management, financial management, control frameworks, transparency and accountability), fiduciary capacities (which includes project management, grant awards, on-lending and blending), and environment and social safeguards and gender capacities. The Bank was one of the first Indian private Banks to be nominated as 'Direct Access Entities' for GCF by the Ministry of Environment, Forests and Climate Change. The Bank is expediting its agreement with GCF to access GCF funding for climate mitigation and adaptation projects in India. The Bank is exploring potential project pipelines in climate change sectors like e-mobility, water & waste management, green real estate & energy efficiency, and climate smart agriculture.

### Enhancing Operational Eco-efficiency

YES BANK is committed to minimising the environmental footprint of its operations, and to ensure that its branches, offices, products and services, adhere to the highest standards of environmental performance. In FY 2021-22, the Bank enhanced its processes for tracking and reducing consumption of key resources such as electricity; water; paper, amongst others. The Bank is also instituting new mechanisms for responsible waste management and rolled-out a bank-wide training module to educate its employees on its environmental goals and best practices in environmental management.

### Environmental Management System

The Bank has adopted an Environmental Management Policy (EMP) which outlines its commitment to continuously benchmark and enhance its environmental performance, reduce impacts, fulfil its environmental obligations and support sustainable growth. Guided by its EMP, the Bank has instituted a robust Environmental Management System (EMS) to manage the significant environmental impacts of its operations. In FY 2022-23, the Bank's EMS was certified ISO 14001:2015 compliant for the 10<sup>th</sup> year in a row. Additionally, the Bank increased the number of ISO 14001 certified facilities to 833 from 732 in the previous year.

\*FTE - Full Time Employee

^Energy saving from LEDs has been arrived at by estimating the additional wattage requirement by CFL lights to produce equivalent luminosity

### Energy consumption

Cognizant of its use of energy to power its facilities and operations, YES BANK has undertaken a focussed approach to monitor and reduce its energy consumption by enhancing energy efficiency and promoting energy saving practices amongst its employees. The Bank has migrated all its facilities from conventional fixtures to light-emitting diode (LED) lighting, across India. In FY 2022-23, the Bank replaced 21,259 conventional fixtures with LED units across 565 branches, resulting in 2,362.56 GJ in energy savings<sup>^</sup>. The Bank also replaced 167 CFL signage with LED units across 154 branches. The Bank is also in the process of phasing out air conditioning systems that use ozone depleting coolants. This year, the Bank replaced 1,055 tonnage/ 970 Units of R22 air conditioners (in 248 branches) that were more than 10 years old with energy efficient (star rated) systems that use eco-friendly coolants, thus reducing its environmental footprint. The Bank's focussed energy conservation initiatives resulted in 11.57% reduction its energy intensity (per FTE\*) from the previous year, even as its overall energy consumption for FY 2022-23 increased by a marginal 2.26% over the previous year, due to the addition of new facilities.

### Emission reduction

The carbon emissions from its use of energy, represent one of the Bank's most significant environmental impacts. YES BANK is cognizant of its climate-related impacts and strives to align its business to the Paris Agreement's goal of limiting global temperature rise. Towards this, the Bank aims to reduce its Scope 1 and Scope 2 emissions with a target of reaching net zero by 2030 (from base year FY 2019-20). To achieve its net zero target, the Bank plans to migrate most of its facilities to renewable energy. In FY 2022-23, the share of renewable electricity in the Bank's electricity mix increased to ~11% resulting in approximately 4,435.77 tCO<sub>2</sub>e in avoided emissions. Currently, the Bank's corporate office, YES BANK House along with 34 of its 81 Branches in Mumbai have been shifted to renewables. Led by its adoption of renewable energy, the Bank reduced its direct emissions by 13.66% in FY 2022-23, over the previous year. In FY 2022-23, the Bank reduced its emissions intensity (per FTE) by 23.61% from the previous year.

## Energy consumption and GHG emissions from the Bank's operations

The Bank monitors and tracks its energy consumption and GHG emissions, and undertakes measures to minimise it on an annual basis. Given its nature of business, the Bank's highest environmental impacts come from its Scope 1, Scope 2 and Scope 3, GHG emissions, as part of operating a pan India physical and digital presence. In FY 2022-23, the Bank's energy consumption stood 220.23 TJ (for a breakup of the Bank's energy consumption from renewable and non-renewable sources, refer page 306). The Bank's energy intensity, within its operational boundaries^ stood at 8.00 GJ/ FTE. The energy consumed by its outsourced data centres is estimated at 36.30 TJ.

GHG Inventory	2022-23	2021-22
<b>Scope 1</b>		
Diesel Consumption (litres)	2,59,056.97	2,38,801.51
Scope 1 emission – Diesel Consumption (tCO <sub>2</sub> )#	685.11	631.54
Scope 1 emission – Refrigerant Leakage (tCO <sub>2</sub> e)#	2,856.29	2,585.60
<b>Total Scope 1 Emission (tCO<sub>2</sub>e)</b>	<b>3,541.40</b>	<b>3,217.14</b>
<b>Scope 2</b>		
<b>Total Grid Electricity Consumption (MWh)</b>	<b>58,606.85</b>	<b>57,454.99</b>
Renewable Electricity Consumption in YBH (MWh)	6,203.88	1,398.66
Non-Renewable Electricity Consumption (MWh)	52,402.97	56,056.33
<b>Total Scope 2 Emission (tCO<sub>2</sub>e)##</b>	<b>37,468.12</b>	<b>44,284.50</b>
<b>Total Emission Scope (1+2) (tCO<sub>2</sub>e)</b>	<b>41,009.52</b>	<b>47,501.64</b>
FTE* as at March 31	27,517	24,346
<b>Emission Intensity (tCO<sub>2</sub>e/FTE) for Scope 1 and Scope 2 emissions</b>	<b>1.49</b>	<b>1.95</b>
<b>Scope 3</b>		
Scope 3 Emission (tCO <sub>2</sub> e) - Paper consumption (including couriers)	1,337.87	557.82
Scope 3 Emission (tCO <sub>2</sub> ) - Business Air Travels by Employees	2,077.85	814.31
Scope 3 Emission (tCO <sub>2</sub> ) - Daily employee commute	2,316.14	684.34
Scope 3 Emission (tCO <sub>2</sub> e) - Outsourced data centres	7,208.79	7,252.28
Scope 3 Emission (tCO <sub>2</sub> e) - Financed Emission	5,59,982.76	19,15,033.94
<b>Total Scope 3 Emission (tCO<sub>2</sub>e)###</b>	<b>5,72,923.41</b>	<b>19,24,342.69</b>

**Emissions of ozone-depleting substances (ODS):** The Bank's use of R22 refrigerant resulted in 64.5 CFC equivalent (ODS). The emission factor is sourced from Department for Environment Food and Rural Affairs (DEFRA), UK

**Air emissions:** NOx, SOx and PM emissions through diesel consumption are 826.09 kg, 275.78 kg, and 50.91 kg respectively. This has been estimated on a sampling basis using weighted average methodology

### GHG Table Footnotes

**# Scope 1 emissions include 10% refrigerant leakage from AC systems (as suggested in the "IPCC/TEAP Special Report: Safeguarding the Ozone Layer and the Global Climate System"). Scope 1 emissions also include diesel consumption for the Bank. The emission factors and GWP (Global Warming Potential) values have been taken from the Greenhouse Gas (GHG) Protocol**

**## Scope 2 emissions constitute CO<sub>2</sub> emissions from grid electricity (from non-renewable sources) consumed by YES BANK. The emission factors have been taken from Central Electrical Authority (CEA's) CO<sub>2</sub> Baseline Database for the Indian Power Sector, Version 18. In January 2022, the Bank started sourcing renewable energy to power YES BANK House, avoiding 4,435.77 tCO<sub>2</sub>e in FY 2022-23. Grid electricity consumed has been estimated from facility-wise electricity bills and state-wise tariff charges**



## Environment

### **Scope 3** emissions include emissions under the following categories (as per GHG Protocol).

*Category 1: Purchased goods and services: includes only paper (A4) consumption (1,337.87 tCO<sub>2</sub>e) and inbound and outbound couriers - assuming 1 A4 envelope and 1 A4 paper per courier. For FY 2022-23, environmental impact estimates (for paper consumption) were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information, visit <https://c.environmentalpaper.org/>*

*Category 6: Business Travel: includes air travel (2,077.85 tCO<sub>2</sub>e). The emission factor for Business Travel has been taken from US Environment Protection Agency document*

*Category 7: Employee Commuting: includes employee commute (2,316.14 tCO<sub>2</sub>e). The emission factors for employee commute have been taken from India Specific Road Transport Emission Factors (2015) & India Specific Rail Transport Emission Factors for Passenger Travel and Material Transport (2015) by India GHG programme. The emissions through daily employee commute have been estimated basis 17,118 responses received through primary pan-bank survey*

*Category 8: Upstream Leased Assets: Upstream Leased Assets: includes outsourced data centres (7,208.79 tCO<sub>2</sub>e). The emission factor for electricity consumption through data centres is taken from Central Electrical Authority (CEA's) CO<sub>2</sub> Baseline Database for the Indian Power Sector, Version 18. Due to incorrect estimation of kWh consumption, the emissions from data centers in FY 2021-22 were over-reported by 62,328 tCO<sub>2</sub>e. The same has been restated, resulting in a positive reduction in the Bank's overall Scope 3 emissions.*

*Category 15: Investments: includes financed emissions from the Bank's electricity generation portfolio (covering corporate loans, investment, project finance). Attributed Financed emission 5,59,982.76 and emission intensity (tCO<sub>2</sub>e/MWh) 0.404. The Bank has utilised PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition. to calculate financed emission. For emission intensity BANK has taken Central Electrical Authority (CEA's) CO<sub>2</sub> Baseline Database for the Indian Power Sector, Version 18 as a guidance for measurement and treatment of financed emissions wherever emission data is not available publicly*

<sup>^</sup> *The Bank's operational boundary for data pertaining to its energy consumption and GHG emissions include its 9 major offices, 1,192 Branches and its IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT). Emissions through currency chests and YES Securities (India) Limited (YSIL) (a subsidiary of YBL) which operates from YES BANK House are also included. Emissions through electricity consumption at off-site ATMs have not been included due to the unavailability of reliable data*

\* *FTE includes all full-time employees across YES BANK's pan-India and Abu Dhabi facilities.*

### Internal Carbon Pricing

In order to drive low carbon transition of its operations, the Bank undertook an exercise to determine its internal carbon price. At an organisation level, the Bank has estimated an implicit price of ₹ 970 per tCO<sub>2</sub>e emissions, i.e. to avoid one unit tCO<sub>2</sub>e emissions, annual cost or required expenditure is of around ₹ 970. The estimation is based on the internal roadmap to achieve its ambition of net zero target covering Scope 1 and Scope 2 emissions, and annual expenditures required to achieve the reduction. The implicit carbon price varies for different facilities in different geographical locations. Facility level estimates range from implicit price of ₹ 660/tCO<sub>2</sub>e emissions to ₹ 1,520/tCO<sub>2</sub>e emissions, with the overall carbon price at an organisational level estimated at ₹ 970 per tCO<sub>2</sub>e emissions emitted. The Bank will relook and re-calibrate its carbon price on a periodic basis to consider emerging alternatives and evolving ecosystem. The implicit price enables the Bank to drive low carbon investment, energy efficiency and change internal behaviour and in turn meet stakeholder expectation of

#### Green Buildings

During the year, two of YES BANK's major facilities renewed their Green Building Certifications

- YES BANK House received Platinum certification
- Okhala received Gold certification

doing business in an environmentally sustainable way. The implicit carbon price enables the Bank for a faster transition to energy efficient equipment and renewable energy sourcing, through inclusion of the cost of carbon abatement in its investments and expenditures, reflecting the holistic cost-benefit analysis.



## Waste Management

Given its nature of business, the Bank's significant sources of waste generation are limited to a few main areas or operation – dry waste from the Bank's use of paper for its documentation requirements; e-waste from the use of electrical appliances such as computers, phones etc.; hazardous waste including used lead acid batteries from its Uninterruptible Power Supply (UPS) systems and residue oil from its diesel generators; and biomedical waste from the medical/ health centres

at the Bank's facilities. In line with its Environmental Management System, the Bank has instituted robust mechanisms for responsible collection, recycling, and disposal of waste generated at its major facilities. The Bank has appointed central/ authorised waste handlers for recycling its dry waste; E-waste; biomedical and other hazardous waste. The corporate office, YES BANK House is equipped with a composting unit and a zero liquid discharge facility to minimise the environmental impacts of its operations

Waste Generated			Waste Recycled	Waste Disposed to Landfill/Incinerated
Type	Description	Weight (MT)	Weight (MT)	Weight (MT)
<b>Hazardous</b>				
E-Waste*	Desktops, printers and laptop hardware, UPS etc.	27.06	23.00	4.06
Battery Waste*	Lead Acid UPS Batteries	49.06	49.06	0
Other Hazardous Waste	Residue Oil from DG etc.#	1.46	0	1.46
Bio-Medical Waste^	Syringe, Expired Medicine, Bandages etc.	0.011	0.0022	0.0088
<b>Non-Hazardous</b>				
Dry Waste <sup>§</sup>	Cups, paper, stationery etc.	46.41	43.16	3.25
Wet Waste**	Leftover food, vegetable peels, fruits etc.	21.58	21.58	0

\*E-waste & Battery waste from pan India facilities

#Residue oil waste from YBH only

^Bio-medical waste from the Bank's 4 major offices (YBH, Airoli, NOC Chennai, and Max Tower) only

§Dry waste from YBH and Airoli offices only

\*\*Wet waste from YBH only

## Environment

### Water Management

Considering the nature of the Bank's business and the locations it operates in, there are no significant negative impacts related to water consumption and discharge, on the communities, around the areas of its operations. The Bank's primary consumption of water is for drinking and municipal purposes. The Bank has however set up water meters to track and monitor its water withdrawal

at some of its major facilities. Water withdrawal from third-party sources (municipality and drinking water), at the Bank's YBH, Airoli, NOC Gurgaon, Max Tower, West Patel Nagar, Nyaya Marg and Okhala facilities\* was measured to be 70,718.78 Kilolitres in FY 2022-23. YES BANK House is also equipped with a zero liquid discharge facility to treat its sewage, with the treated water used to maintain the flora around the office.



\* YES BANK does not have any facility in areas of water stress

## Going-paperless

The Bank has adopted several measures in its journey towards going-paperless. By digitising paper-based products and processes, establishing strong digital strategies to meet the digital demands of customers

and implementing paperless workflows, the Bank has not only benefited the environment but also enhanced staff productivity and customer delight.

Initiative	Description	Sheets of (A4) paper saved	Energy saved (GJ)*
<b>VAHAN Robotics</b>	The Bank introduced a robotics platform for vehicle loan customers to download vehicle registration certificates through the government's VAHAN website, significantly reducing the turnaround time for submitting vehicle registration certificates from two days to one day	98,612	7.68
<b>YES UDAAN (Utility for Digital Agreement and NACH)</b>	Through the YES UDAAN initiative, the Bank introduced paperless banking and developed digital solutions for providing E-NACH and E-Agreement along with E-Stamping and E-Sign Facilities	3,37,622	26.31
<b>Loan in Seconds</b>	In FY 2021-22, the Bank enhanced its digital lending capabilities with its Loan in seconds (LIS) platform for end-to-end digital loans	19,59,430	152.68
<b>Digital Post Disbursal Documents (registration certificate, insurance, invoice)</b>	YES BANK launched the YES PDD application, in collaboration with the Bank's outsourced partner which aims to reduce paper used in post disbursal document copies by digitising the documentation and verification process	81,888	6.38
<b>SeVA (Service Value Added)</b>	The Bank introduced SeVA (Service Value Added), a digital solution for accepting online post loan disbursement service requests from customers, through the YES Service Portal. The initiative has enabled customers to avail the Bank's services, digitally, eliminating the need for physical interaction; use of request forms, branch visits and KYC documents	2,64,456	20.61
<b>E-Statement of Accounts and Income Tax (IT Certificates) and envelopes</b>	The Bank developed digital solutions for providing E-SOA and IT Certificates	3,99,258	31.11

\*Energy savings from the reduction in the use of paper have been estimated using the Environmental Paper Network Paper Calculator Version 4.0. For more information, visit <https://c.environmentalpaper.org/>

# Financial Inclusion & Social Financing

Financial inclusion continues to be a key national priority and a critical developmental goal for India. Deepening the reach and access of formal financial services and credit amongst unbanked, hard to reach, and vulnerable communities, can reduce income inequality, boost economic output and prevent vulnerable communities from falling prey to unregulated money lenders and over indebtedness. Initiatives aimed at the financial inclusion of women can also help accelerate gender equality and women’s economic empowerment.

YES BANK is committed to contribute to and further the government and RBI’s goals to expand the access of financial services, deeper into rural underserved areas. The Bank has taken steps to widen the reach and uptake of government schemes such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Kisan Credit Card (KCC) amongst women and individuals in

rural, hard to reach areas. In line with the strategic pillars of RBI’s National Strategy for Financial Inclusion, the Bank has focussed on frugal innovations and on-ground partnerships to enhance access to basic financial services such as savings accounts, loans and remittance facilities; promote financial literacy; support livelihood and skill-building of vulnerable communities; and safeguard such customers through robust responsible lending and grievance redressal processes. The Bank has implemented a comprehensive Financial Inclusion Plan which is reviewed by its Board of Directors on an annual basis.

### Linkages

C1	M3	SBO3	R5
C5		SBO4	R8
		SBO7	
		SBO10	



**8 lakh +**

Strong – largest network of Business Correspondence (BC) partners

**24,177**

Savings accounts opened as at March 31, 2023

**2<sup>nd</sup>**

Largest player in Micro ATMs

**7.6 lakh**

Women microfinance borrowers

**300 MM +**

Transactions processed through DMT and AePS &amp; MATM in FY23

**₹ 593 crore**

Term lending to microfinance Institutions for on-lending in FY23

**₹ 1,142 crore**

Disbursed during to women microfinance borrowers in FY23

**22.78%**

Market share in Aadhaar Enabled Payment Scheme

**Enhancing access to basic financial services**

YES BANK has established dedicated divisions such as Inclusive and Social Banking (ISB) and Microfinance Banking (MFB), which in collaboration with other divisions such as Digital Banking and Liabilities, drive the Bank's financial inclusion agenda. The Bank has also established India's largest network of over 8 lakh Business Correspondence (BC) partners to deliver its financial services, to the last mile. In FY 2022-23, the Bank's network of BC Branches and 150 Business Correspondent Banking Outlets (BCBO), enabled it to provide both asset and liability solutions to over 24,000 customers in the rural segment. The Bank's comprehensive bouquet of financial services are

customised and targeted at different bottom-of-the-pyramid (BOP) customers, based on their unique needs and requirements.

- **Pradhan Mantri Jan Dhan Yojana (PMJDY):** PMJDY continues to play a major role in enabling unbanked individuals to formally enter into the financial system. Under the scheme, individuals can open a PMJDY account with no requirement to maintain any minimum balance and also access insurance facilities through the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY).

**Account opened under PMJDY (FY 2022-23)**

Product/Services	Targeted Clients	Accounts opened in FY23	Total Accounts held by the Bank as at 31 <sup>st</sup> Mar'23
Savings Account (PMJDY)	Women	7,394	14,684
Savings Account (PMJDY)	Individual in rural or hard to reach areas	12,041	17,517
Savings Account (PMJDY)	Individual in urban	1,782	5,638
<b>Total</b>		<b>21,217</b>	<b>37,839</b>

## Financial Inclusion & Social Financing

- YES LEAP – Microfinance Loans for women:** The Bank's ISB division, through its flagship group-lending programme, 'YES Livelihood Enhancement Action Programme (YES LEAP)', provides financial services to women microfinance borrowers, through Corporates and Microfinance Institutions (MFIs) acting as BCs. As 100% of borrowers are women, YES LEAP has been able to contribute significantly

towards strengthening women entrepreneurship and empowerment in rural areas of India. With an active women customer base of 7.6 lakh (as at March 31, 2023), the Bank in FY 2022-23, disbursed ₹ 1,142 crore to 3.02 lakh women. Since inception of the YES LEAP programme in 2011, the Bank has cumulatively disbursed over ₹ 14,640 crore to over 34 lakh families, till date.

### Microfinance loans extended under YES LEAP in FY 2022-23

Financial Service	Targeted Group	Amount Disbursed (₹/ crore)	No. of women borrowers	Portfolio O/S (₹/ crore)
Microfinance loans	Women	1,142	3.02 lakh women	1,495

The Bank also offers voluntary insurance products like a customised loan cover life insurance product and a hospi-cash product for the rural and semi urban customers, to help them reduce their out-of-pocket expenses in case of health-related emergencies.

### Micro-insurance coverage extended under YES LEAP in FY 2022-23

Financial Service	Targeted Group	Premium Collected (₹/ crore)	No. insurance coverages extended
Micro-insurance	Women/ family members of borrower	33.61	6.75 lakh

- Microfinance Banking (MFB):** On the wholesale side, the Bank, through its MFB division, extends term loans to Microfinance Institutions (MFIs) for on-lending to BoP customers, cash management services and rated capital market loan products like pool securitisation and Pass Through Certificates (PTCs).

### Credit extended to MFIs for on-lending to Financial Inclusion customers in FY 2022-23

Financial Service	Targeted Group	Disbursements (₹/ crore)	Outstanding book (₹/ crore)
Loans	MFIs	593	581

- **MEF:** YES Micro enterprise finance is aimed at small business, self-employed professionals, Micro enterprise in the Rural & Semi Urban geography to cater to working capital and investment credit requirements, across sectors like retail, wholesale and trade.

#### MEF Transactions in FY 2022-23

Financial Service	Targeted Group	No. of Clients/ No. of loans disbursed	No. of transactions	Outstanding book (₹/ crore)
Loans	Individual in rural or hard to reach areas	477	489	186

- **Farmer Mechanisation Loans and Kisan Credit Cards:** YES BANK's Rural Banking Assets unit addresses the financial requirements of Indian farmers for crop production and ancillary activities through the issuance of Kisan Credit Cards. In order to cater to the specific needs of farmers across specialised agri clusters, the Bank offers variants under its flagship crop loan product. It also caters to the farm mechanisation needs of progressive farmers by financing the purchase of tractors as a primary asset class, along with harvesters and agri implements. The unit also finances small business entities, self-employed professionals and entrepreneurs in rural areas for their business requirements. The Bank currently caters to the needs of farmers in eleven States of India, with dedicated manpower present in these geographies. As at March 31, 2023, outstanding loans were offered to more than 45,000 farmers under the above categories

#### Farm Mechanisation and KCC Transactions in FY 2022-23

Financial Service	Targeted Group	No. of Clients/ No. of loans disbursed	No. of transactions	Outstanding book (₹/ crore)
Farm Mechanisation Loans	Farmers/ Individual in rural or hard to reach areas	12,975	12,975	917
KCC	Women/ Individual in rural or hard to reach areas	7,465	12,975	1,945
<b>Total</b>		<b>20,440</b>	<b>25,950</b>	<b>2,862</b>

- **Remittances led approach:** YES BANK has been a pioneer in driving digital financial inclusion through its flagship programme YES Money, its unique platform to meet the remittance need of migrants, unbanked and under-banked populations in India. Through Domestic Money Transfer (DMT) on the YES Money platform, the Bank facilitates the remittance and transfer of money from any location with ease, while enabling withdrawals at the remotest geographies through Aadhaar Enabled Payment Scheme (AePS) and Micro ATMs (MATM).

Product	Market Share	Y-O-Y Value Growth (in FY23 from FY22)
AePS	22.8%#	25%
MATM	19%*	101%
DMT	12%*	9%

\* Basis market information

# AePS market share for Q4 FY 2022-23 basis market information



## Financial Inclusion & Social Financing

### Promoting financial literacy

The Bank undertakes various interventions to engage with customers and incubate financial discipline among its members. Women members are imparted financial literacy training through a process called Compulsory Group Training (CGT), by BC Agents and the Bank's staff, and training efficacy is assessed through a verbal interactive test called Group Recognition Test (GRT). The Bank in collaboration with Accion International has also designed customised training modules to promote financial literacy amongst its customers. In FY 2022-23, over 1,798 Financial Literacy Camps were conducted across 133 rural Branches.

### Responsible lending and grievance redressal processes

The Bank undertakes several measures to protect its microfinance customers from over indebtedness and to ensure that they are able to repay the loan without any harassment and duress.

### Support livelihood and skill-building of vulnerable communities

The Bank has committed to catalyse employment and entrepreneurship opportunities for 100,000 youth by 2026. Through programmes undertaken by YES Foundation, its social development arm, the Bank provides underprivileged youth, skill-based training for market oriented jobs – over 5,000 youth have been skilled since 2021 through the Bank's initiatives. The Bank has also created entrepreneurship opportunities for 30,000 villagers, aimed at enhancing the earning capability of rural population with a focus on farm productivity, farm extension, handicrafts, among others.





#### Steps to mitigate over indebtedness of borrowers:

- **Household Assessment:** Prior to loan sanctioning, the Bank undertakes a detailed household assessment capturing the amenities and assets available in the household, income, expense and loan obligations of all household members. Through this process, the Bank arrives at the net disposable income for the household which is one of the key determinants for deciding loan eligibility and sanction amount
- **Limit of total indebtedness:** To avoid over indebtedness of the customer, a loan is only sanctioned for cases where total indebtedness is less than ₹ 2 lakh (basis the MFI Credit Bureau report)
- **Loan applications are screened basis combined credit report (CCR) of the household:** In addition to the total indebtedness limits, screening is also done basis delinquency in microfinance, agri as well as retail loans for customers as well as household members
- **Loan eligibility based on customer categorisation:** Loan eligibility limits are also set based on categorisation of New to Credit (NTC), New to Bank (NTB) and Existing to Bank customers. The limit for NTC and NTB is deliberately set lower taking a conservative approach towards their credit exposure
- **Promoting responsible usage of loan:** At the time of Compulsory Group Training (CGT) and Group Recognition Training (GRT), customers are advised to utilise the loan that will be sanctioned for productive purposes. The purpose of the loan is also captured in the Loan Application Form and Sanction Letter
- **Group Credit Product Plus and Hospicash:** The Bank provides customers an opportunity to opt for insurance products such as Group Credit Product Plus (GCPP) and Hospicash. GCPP relieves the customer and household of the debt burden in the eventuality of the death of the customer or co-insured. In most instances this is a critical support as the loss of a key earning member leads to economic hardship for the family and delinquency could affect access to future

## Financial Inclusion & Social Financing

credit. Hospicash on the other hand ensures that the customer/ household doesn't have to dip into their savings/ monthly income in case of medical emergencies, thus minimising any adverse impact on the customer's repayment capacity

### Responsible customer handling and staff training:

- YES BANK has a Board approval Fair Practices Code specific to Microfinance customers, which outlines its commitment to not resort to undue harassment or use of force against customers and that the Bank would be accountable for any inappropriate behaviour by its employees or employees of its outsourced agency
- All ISB employees undergo the mandatory 'Code of Conduct' training module of the Bank. All BCAs (employees of YBL's BC partners who are involved in sourcing and collection on behalf of YBL) are required to get a certification from the Indian Institute of Banking & Finance (IIBF) within 9 months of their association with YES BANK. In addition to general banking and technical aspects, this IIBF module also includes a section on behavioural aspects

### Responsible repayment and collection practices:

- Customers are provided with a detailed repayment schedule at the time of loan disbursement, along with a loan card which is updated at the time of collection
- Collection is undertaken only at a designated place (centre) for the ease of customers
- Any deviation from the collection date, non updation of loan card, behavioural issues and other service issues can be reported by the customer on the toll free grievance redressal number (which is shared at the time of CGT, GRT, is also mentioned on the repayment schedule and displayed in the BC Branch)

### Grievance Redressal:

- In order to provide timely redressal of customer grievances at no extra cost and given that most of the Bank's microfinance customers are located in rural, hard to reach areas, the Bank has introduced a "Missed Call Facility" for customers to register their grievances
- Missed calls made by customers are responded to through a callback in the customer's vernacular language, wherein the customer may comfortably explain his/ her complaints or grievances. The Missed Call number is prominently displayed at BC Banking outlets, BC branches and on the Loan Card given to the borrowers
- Additionally, BCBO being a fixed point outlet, additional options of Grievance Redressal are also provided to the customers. Customers may register their complaints through the existing YES TOUCH grievance channels (ex: calling up the contact centre at 1800 1200). The Grievance Redressal posters in local languages are prominently displayed at the BCBO outlets to guide the customers in this regard. For customers who wish to submit any complaint in written form at the outlet, three ply complaints registers with serial numbers are maintained at the BC banking outlets. All BCBOs are also equipped with a separate Complaint/Suggestion Box

### Social financing

The Bank continues to finance a number of significant sectors that play a huge role in contributing to sustainable development goals, enhancing employment opportunities, reducing income inequality and generating social impact.

- **SME Financing:** India's SMEs contribute to nearly one-third of the country's GDP through their domestic and international commerce and are a key focus area for the Bank. The Bank reported ₹ 24,502 crore

in disbursement to the SME segment in FY 2022-23. The Bank continues to develop targeted products for green financing; for example, offering loans to SMEs for the adoption of rooftop solar panels, promoting solar water pumps for farming under the PM Kusum Scheme, offering bank guarantees and commercial vehicle financing to urban waste collectors and processors, financing equipment manufacturers of effluent treatment and sewage treatment plants, and supporting the electric vehicle ecosystem by financing auto ancillaries and charging infrastructure players. As at March 31, 2023, the Bank's SME financing advances stood at ₹ 28,186 crore

- **Affordable Housing:** Affordable housing is a critical sector to enable India's socio-economic development. To address the grave issue of affordable housing shortage, the government has already taken various initiatives including "Housing for All". Most of the organised lenders require standard documented income proof thus making it difficult for this section of the society to avail a home loan. Understanding their challenges, YES BANK decided to take a step forward to help people fulfil their dreams and launched YES KHUSHI Home Loans in May 2016, as a step towards social responsibility by serving the underserved/neglected segment of the society & meeting their financial need. YES KHUSHI home loans is primarily targeted towards the Economically Weaker Section and Low Income Group segments which may have formal, semi-formal or informal income documents and looking for financial assistance to buy or construct their first home. The Bank's target customers majorly include small traders &

shopkeepers, maids, teachers, tutors, nurses, ward boys, sales executives, cashiers in malls, employees of private security agencies, bus drivers etc.; who may not have formal income documents or receive income/ salary in cash.

The Bank also tied up with National Housing Bank for facilitating subsidy claims under Pradhan Mantri Awaas Yojana-Credit Linked Subsidy Scheme and the Bank has submitted 16,000+ claims on behalf of the beneficiaries. As at March 31, 2023, the Bank's Khushi (Affordable) Home loans portfolio stood at ~₹ 5,100 crore and nearly 40,000 customers have been extended loans under the affordable housing loan programme.

### Green and Social Financing

The Banking sector has a crucial role to play in climate adaptation, shifting to a low-carbon economy and achieving sustainable developmental goals.

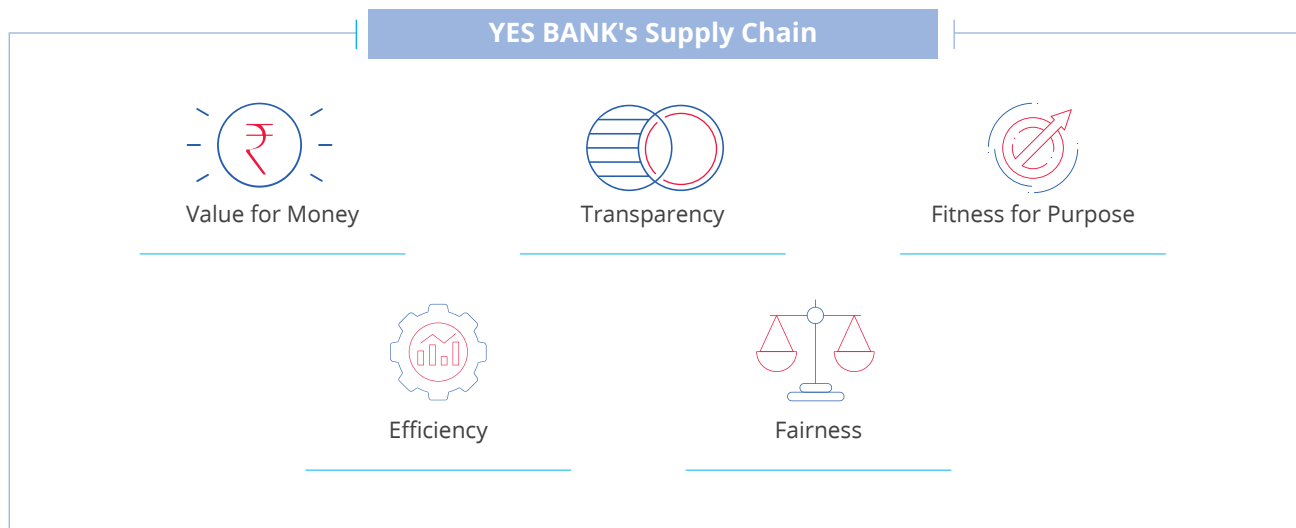
According to the latest estimates, India would need over USD 10 trillion of financing to achieve its net zero by 2070 target, and an estimated USD 2.6 trillion to meet its Sustainable Development Goals by 2030. A majority of this financing will have to be driven by domestic financial institutions.

Read more on the Bank's Green Financing initiatives on page 121 and Social Financing initiatives on page 130.

# Sustainable Supply Chain

YES BANK’S large and diverse supplier base of over 11,450+ large, medium, and small suppliers are integral to the vitality of its business and ecosystem. The Bank has set up a Strategic Procurement Unit (SPU) staffed with executives, skilled in responsible sourcing practices across categories, functions and domains. The Bank’s SPU has adopted a robust procurement model which aims to strike the right balance between cost, agility and governance in its procurement practices and integrate ESG principles into the Bank’s larger value chain.

**The Bank continues to manage its supply chain based on the following principles:**



## Linkages

C5	M2	SBO7	R1
	M11	SBO10	R5
			R8

## Supplier base

In FY 2022-23, the Bank transacted with over 6,900+ suppliers for provision of goods and services across all its offices and branches. The Bank has formed strategic relationships with eminent Indian and global companies, however, almost all transactions and procurements are done through domestic vendors. As the Bank is spread across the country, it also procures from local vendors for localised consumption of products and services.

## Ensuring governance, transparency and greater accountability

The Bank has established a clearly defined risk management framework for its suppliers, based on the risk profile of the vendor and item category. In order to mitigate the risks for the Bank, control and governance parameters have been constructed, implemented and reviewed on a periodic basis. Additionally, the Bank has implemented a Vendor Performance Evaluation Framework wherein periodic vendor performance reviews are conducted based on vendor category. The Bank has also put in place processes to ensure vendor redundancy/ Business Continuity Planning (BCP) for critical spend categories.

In addition to assessing vendors' credibility, capability and cost to deliver, YES BANK has implemented well-established vendor guidelines, outlining its vendor selection criteria in compliance with the law. This has been further enhanced with the introduction of SAP

Ariba e-Sourcing Platform which has improved fairness and transparency in sourcing processes. The e-sourcing platform is helping the Bank bring in fair and transparent sourcing processes. While this has already become an integral part of the sourcing process, the Bank is continually looking to enhance the institutionalisation of the implemented system-based workflows. One of the key focus areas this year has been skill development within the procurement team wherein the team has collectively clocked more than 115 man-days of learning and development engagements on functional and cognitive skill development. This also includes participation in conferences and seminars for knowledge enhancement.

As part of the Bank's stated objective and commitment to implement best practices in Corporate Governance, the Bank has a Whistle-blower Portal viz. 'Corporate Whistle-blower Initiative' (CWI) which is an independent online reporting service aimed at facilitating secure and confidential communication of any concerns faced by its vendors to the designated and independent Whistle-blower Committee constituted by the Bank.

During FY 2022-23, SPU continued to identify cost management initiatives based on spend analytics to optimise cost structures and collaborated with various operation/ functional units, to identify opportunities for value engineering and innovative solutions.

### Digitisation

In line with YES BANK's vision of digitisation of processes and strengthening digital paperless procurement, the Bank is implementing Procure to Payment solutions, which will digitise Sourcing to Procure to Payment process with adequate controls built into the solutions to meet policy and process requirements. The Bank has significantly increased the receipt of e-Invoices from key suppliers to enhance its digital procurement journey.

### Integrating ESG considerations into supply chain

As India's first banking signatory to the UN Global Compact, YES BANK continues to abide by the 10 principles of the Compact encompassing human rights, labour, environment, and anti-corruption. The Bank uses these principles as a foundation for its sustainable supply chain practices. The Bank

has instituted a Supplier Code of Conduct, based on benchmark Environmental, Social and Governance (ESG) parameters, defining its commitment to environmental, health and safety regulations; local employment and labour laws; human rights including elimination of forced labour, child labour and discrimination; national and international antitrust and trade control regulations; anti-corruption, anti-bribery & anti-competitive trade practices; and norms related to data privacy and conflict of interest, amongst others. Through its Supplier Code, which forms part of its business agreements and contracts, the Bank ensures that its suppliers support its sustainability agenda; comply with applicable laws and adhere to globally recognised ESG standards. The Bank continues to take steps towards assessing the ESG awareness and preparedness of its suppliers in a phased manner and educating them about ESG best practices through webinars and surveys. The assessments will enable the Bank to score vendors on their ESG performance and identify areas for improving controls and limiting potential negative impacts of its supply chain. In FY 2022-23, the Bank's ESG awareness initiatives covered over 60 of its strategic vendors, representing nearly 85% of the Bank's SPU-led spends.

### Sustainable sourcing

The Bank continues to enhance its sustainable sourcing practices and proactively identifies opportunities to adopt innovative sustainable products and solutions. In FY 2022-23, the Bank began sourcing renewable energy to power 34 of its 81 Branches in Mumbai. For its head office, YES BANK House (YBH), the Bank continues to procure renewable energy partly through open access, Power Purchase Agreements (PPAs) with renewable energy producers along with subscribing to Green Power Tariff programmes. To enhance its energy efficiency, the Bank completely migrated all its facilities from conventional fixtures to light-emitting diode (LED) lighting, across India. The Bank is also eliminating the use of printed flexes for its promotional activities and switching to digital screens at many of its facilities. Over the years, YES BANK has eliminated the use and procurement of single-use plastics and switched to procuring 100% recycled paper (A4) for internal operational use, across all its facilities.

# Digital Leadership

YES BANK continues to maintain a laser-sharp focus on fostering innovation and leveraging technological developments to enhance the banking experience for its customers. It has adopted a holistic approach towards going digital and has integrated this strategy across its banking ecosystem.

The size and volume of digital banking transactions carried out through YES BANK's products and services continued to scale up rapidly in FY 2022-23.

## Digital Payments

The Bank continues to be a market leader in the digital payments space and has been steadily working on increasing its market share.

Linkages			
C6	M3	SBO2	R8
	M4	SBO6	R12
	M7	SBO8	
	M8		



### Unified Payment Interface (UPI)

transactions witnessed Y-O-Y growth of 67% in terms of volume and 52.3% in terms of value. The Bank processed overall 3,302 crore transactions with value of ₹ 5,718,317 crore, capturing 38.3%\* market share in the ecosystem for FY 2022-23.



### Internet Payment Gateway (IPG)

transactions witnessed Y-O-Y growth of 180% growth in terms of value. The Bank processed overall 1.67 crore transactions with value of ₹ 13,077 crore for FY 2022-23, increasing market share from 0.57% to 2.26%.



### Money Send Visa Direct (MSVD)

transactions witnessed Y-O-Y growth of 171% in terms of volume and 214% in terms of value. The Bank processed overall 2.05 crore transactions with value of ₹ 20,916 crore, capturing 15% market share in the ecosystem for FY 2022-23.



### MCTC (Travel Cards)

transactions witnessed Y-O-Y growth of 196% in terms of load value. The year exit load value stands at USD 121.81 million (approx. ₹ 998 crore) for FY 2022-23.



### Prepaid and Gift Cards

The Bank processed overall 2.7 crore of transactions with value of ₹ 1,471 crore, capturing 2% market share in the ecosystem for FY 2022-23.



### Immediate Payment Service (IMPS)

witnessed a Y-O-Y growth of 20.16% in transaction volumes and 16.13% of transaction value. The Bank processed overall 66.8 crore transactions with value of ₹ 491,967 crore in FY 2022-23 thereby achieving a market share of 11.2%\*.



### Aadhaar Enabled Payment Scheme (AePS)

witnessed a Y-O-Y growth of 22.45% in transaction volume and 24.89% in transaction value by processing a total transaction value of ₹ 65,293 crore. Overall, the Bank processed 25.2 crore transactions through AePS with a market share of 22.8%\*.



### MicroATM (MATM)

witnessed a Y-O-Y growth of 101.73% in transaction volume by processing 3.44 crore transactions and 100.84% of transaction value by processing a total transaction value of ₹ 11,929 crore.

\*Figures for Q4 FY 2022-23

## Digital Channels

YES BANK has been at the forefront of providing its customers with a bouquet of digital channels and payment solutions to choose from. In FY 2022-23, the Bank's digital channels achieved ₹ 25,508 crore worth of cross-sell, covering deposits, wealth management, credit cards and IPOs.

### The Bank's Digital Channels



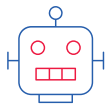
#### YES ONLINE,

the Bank's internet banking platform, offers a user-friendly, interactive banking experience to its customers across Liabilities, Assets, Cards and Wealth Management segments in a seamless manner.



#### YES MOBILE,

the Bank's mobile banking application, allows users to bank anytime, anywhere with 100+ services available in a simple, convenient, and secure manner.



#### YES ROBOT,

The Bank's comprehensive, secure, AI-enabled personal Banking assistant for customers offering its services on the Bank's website and WhatsApp.





## Digital Leadership

### The Bank undertook the following initiatives across its digital channels in FY 2022-23

- During the year, YES BANK launched the industry-first, Floating Rate Fixed Deposits which customer could book through all its digital channels including online banking, mobile banking, YES ROBOT chatbot and WhatsApp. The Floating Rate Fixed Deposit is a one-of-a-kind FD product offered via the Bank's digital channels, whose main advantage is that the revision on the interest rate takes place automatically without any manual intervention by the Bank or the customers. Since the launch of this product in June 2022, ₹ 700+ crore FRFDs have been booked through YES BANK's digital channels
- The Bank also launched a new functionality in December 2022, through which customers could open Digital Savings Account on their pre-login through online banking, mobile banking, YES ROBOT chatbot and WhatsApp. Through this new functionality, the Bank received a total 17,088 account opening requests and opened 2,885 saving accounts by March 31, 2023
- YES BANK WhatsApp Banking continues to be only platform in India which offers straight-through deposit booking on WhatsApp. Total deposits booked on WhatsApp Banking stood at 2,406 with value of ₹ 15 crore during FY 2022-23
- The Bank enabled 15+ loan related services across its digital channels (online banking, mobile banking, YES ROBOT chatbot and WhatsApp) as part of its service digitisation initiative, and introduced a wealth management module on YES Mobile and YES ROBOT chatbot which enables users to book SIPs and lumpsum Mutual Funds, view existing investments and their investment account details
- Basis customer feedback, the Bank also undertook a revamp of its online banking and mobile banking UI/ UX of its platforms in order to make the overall usage experience seamless and convenient for its customers
- The Bank's Digital Assistant for multi-selling, YES ROBOT now enables every YES BANKer across branches, as well as business teams such as Retail Assets, SME, Liability and Cards, to multi-sell over 14 products of the Bank, thereby enabling the Bank to present a comprehensive suite of offerings to both, New To Bank (NTB) and Existing To Bank (ETB) customers. The utility offers multiple options (instant call/ schedule an appointment/ visit to nearest branch) for RMs to instantly connect with customers for closure of leads

#### New Initiatives

The Bank continues to dominate the digital payment processing space and has steadily worked towards increasing its footprint by participating and initiating new income avenues. Some of the key initiatives undertaken by the Bank include:

- Successfully implemented interoperability on PPI wallets with UPI on PPI solution
- Successfully launched wearable programmes on Rings/ Keychain with multiple co-brand partners
- Launched Central Bank Digital Currency – Retail for Closed User Group as a part of RBI's first cohort of pilot Banks
- Launched "Bank as a Payment Aggregator" product to facilitate payment aggregation and settlement services for Merchants
- Successfully opened and operationalised YES BANK's Visa international settlement account in Bank of America for all Acquiring and Issuance products
- Went LIVE on BBPS for YBL retail customer loan collection. This will provide the Bank's customers an option to repay their EMIs through multiple channels available in the BBPS ecosystem

## Data Protection and Information Security

Over the past few years, the financial sector has seen a significant rise in investments towards digitisation and in the adoption of cutting-edge digital technologies. However, the rise in digitisation has also led to the emergence of security risks which could occur due to the breach of confidentiality, integrity and availability of classified data like customers' personal and financial information. Protecting customer information is a key priority at YES BANK.

The Bank has instituted a well-defined governance structure for information security and data protection. It has constituted an Information Security Unit led by the Chief Information Security Officer and adopted a Board-approved Information Security Policy. A management level committee ("Security Council"), with cross-functional representation, meets on quarterly basis to review security implementation across the Bank and provide guidance to the information security function.

The Board-level Risk Management Committee monitors information/ cyber security related risks as part of the Bank's overall risk profile and provides guidance and direction on information security. The Bank has also adopted the Global Information Security Standard ISO 27001:2013 and implemented a Board-approved Information Security Policy and Cyber Security Policy, as directives to protect its information assets.

YES BANK has adopted a Risk-based approach and follows defence-in-depth to protect its information systems against cyber-attacks. It has adopted a Cyber

Security Resilient framework to manage cyber security risk. The framework rides on four pillars – Protect, Detect, Respond and Recover. The Bank has established a 24x7 security operations center (SOC) to monitor Cyber Risks, which keeps vigil on suspicious network traffic and events to detect any anomalies and helps respond to potential incidents, in a timely manner.

The Bank also subscribes to various threat intelligence services that help identify malicious indicator of compromise (IOCs) and block them as a proactive approach to prevent potential attacks.

The Bank undertakes various initiatives to build awareness about cyber security. It organises regular awareness campaigns for employees, consultants, vendors, customers, and other stakeholders on global cyber security threats, and issues guidance on using digital platforms in a safe and secure manner. The Bank also performs simulated phishing drills to check the awareness of its employees and contract staff with targeted trainings for staff who fall prey to such phishing simulations. Additionally, independent reviews of the cyber security function are carried out by the Bank's internal audit team and presented to Board level committees.

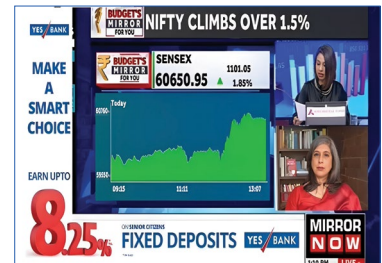
The Bank has initiated Digital Forensics Readiness Assessment to ensure that all relevant logs are captured, in case of any forensics investigation, and has also initiated Cloud Security Assessment which would assist in building a framework for Cloud security.

# Brand and Customer Experience

YES BANK has adopted an ethos of responsible banking and continues to build on its brand position as a modern, agile, digitally superior Bank that promises to deliver a banking experience that is seamless, intuitive and effortless. In June 2023, YES BANK undertook its biggest move in the last many years through a refreshed identity. A comprehensive and integrated campaign with TV, Print, Outdoor and Digital is to be used to reach the consumers across this country.

In FY 2022-23, YES BANK had marked its presence in the market through multiple brand and product campaigns. In the month of June 2022, the Bank launched its Floating Rate Fixed Deposit campaign which was its first mass media campaign of the year using print advertisements across leading newspapers.

In October and November 2022, the Bank ran a comprehensive festive campaign 'SayYesToMore' which showcased Fixed Deposit, Savings Account, Credit Cards and Loans. The campaign encompassed Radio, Outdoor, Malls, and direct to housing Societies.



### Linkages

C6	M7	SBO2	R6
	M10	SBO6	R8
		SBO10	



### Print

(Vertical Half Pages & Quarter Page) Newspaper: Times of India, Hindustan Times, Gujarat Samachar, Lokmat...

### TV

(Aston Band) Channel: Times Now, CNN News 18, Republic Bharat...

### Outdoor

Delhi NCR, Ahmedabad, Surat, Lucknow, Amritsar 90 sites

This was followed by the New Fixed Deposit Rate Campaign in February 2023. This campaign used TV through non FCT assets. Print was used as a lead medium with leading publications such as Times of India, Hindustan Times and also penetrated across the country through regional newspapers.



## Customer Experience

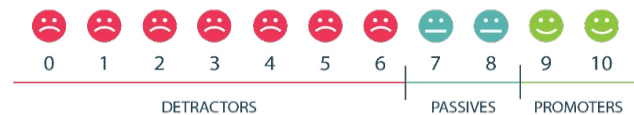
As a customer-centric Bank, YES BANK has built a culture that is focussed on delivering quality customer service with empathy and ownership. The Bank leverages state-of-the-art technology to enhance customer delight through a three-pronged strategy comprising customer experience, innovation and quality assurance. The Bank's Customer Experience unit captures the Voice of the Customer (VOC) and Customer Scoring through transaction and engagement feedback, utilising digital platforms, and assessing performance across key service drivers.

The Bank has institutionalised Net Promoter Score (NPS) as a key metric to drive superior service experience, customer loyalty and advocacy, across its various customer channels. NPS is a metric for measuring Customer Experience and is a predictor of customer loyalty. It has been adopted by several global organisations to improve customer experience across products and services. NPS is calculated by subtracting the percentage of customers who are Detractors (i.e. customer rating between 0 and 6) from the percentage who are Promoters (i.e. customer rating 9 or 10).

The Bank continues to make steady progress in its commitment to Customer Service Experience and

Satisfaction, as demonstrated by a reduction in Detractors and increase in Promoter trends resulting in improved Net Promoter Scores across customer channels. The Bank ended the FY 2022-23 with a 9 points improvement in its overall Retail Banking NPS score as compared to the previous year.

The Bank's investment in digital platforms has strengthened its Customer Experience measurement process by making it real-time and based on contextual conversations with the customers. Along with measuring NPS, the Bank has also initiated 'close looping' customer feedback by implementing methodologies like carrying out service recoveries of the Detractors, Winback initiative to retain customers, and deepening of relationship with the Promoters. Specific insights based on the Voice of the Customer (VOC) are reviewed periodically with the respective stakeholders / functions to drive improvement in People, Process and Technology/Infrastructure so as to enable consistent and superior banking experience to customers.



$$\text{Happy Face} \% - \text{Sad Face} \% = \text{NET PROMOTER SCORE}$$

### Enhancing customer experience through AI

AI has evolved into a credible strategic tool for addressing business problems. AI projects drive value across the business, especially in customer service, cost optimisation and revenue generation

- YES ROBOT:** YES BANK's flagship AI-powered chatbot, YES ROBOT, is a comprehensive, secure, 24\*7 Personal Banking Assistant for customers and is currently available on the Bank's website and on WhatsApp. It has helped the Bank enhance its customer service by reducing the time-of-first-response to just a few seconds. The chatbot is witnessing over 7 million interactions per month. The chatbot empowers customers to get their basic banking queries and requests addressed anytime anywhere. It also enables the Bank's Branch staff to address more complex customer requirements, effectively
- YES ROBOT 2.0:** The Bank recently launched YES ROBOT 2.0, a Digital Assistant that empowers YES BANKers to connect with customers & generate high quality leads instantly. Over 29,500 leads have been generated since its launch in April 2023. In the near future, the Bank plans to extend AI bot services to additional channels and applications like IVR and IOT interfaces like Alexa and Google Assistant. The Bank is also exploring the use of multi-lingual and voice bots for the coming future

# Contributing to Communities

YES BANK's Corporate Social Responsibility (CSR) Policy guides the Bank towards delivering internal and external positive socio-environmental impact, through unique approaches that focus on promoting inclusive growth, investing in socially and environmentally responsible activities, engaging with stakeholders, and forging partnerships to further sustainable development.

The focus of YES BANK's CSR programmes centre around 3 E's – Employability, Entrepreneurship and Environment Sustainability. In 2021, the Bank launched its five-year strategy which aimed to create employability and entrepreneurship opportunities for 100,000 youth by 2026.

## Achievements so far

### Employability



**>5K**

Youth trained in market-oriented jobs

**70%**

Placed in gainful employment

**30%**

Women in skills training

### Entrepreneurship



**>15K**

Farmers enhanced their income through climate-resilient farming

**>20K**

Rural poor trained to set up nano enterprises

### Environment Sustainability



**>40K**

Trees planted with more than 90% survival rate R&D

**ICCM**

Supported for building an India-Centric Climate model

Energy efficiency for

**>1K**

SMEs

### Linkages

C5	M2	SBO2	R5
	M3	SBO10	R8

## This strategy is implemented through YES Foundation, the social development arm of YES BANK

### Progress across our Key Intervention Areas in FY 2022-23

#### Employability

Over the past decade, India has witnessed rapid growth, driven by the development of the new-age sectors. The rise in purchasing power has resulted in the demand for a new level of quality of service. Employers frequently report a skill gap deficit in the candidates they hire, leading to a high demand of skilled manpower to address the rising requirements of the economy.

In this context, YES Foundation has undertaken skilling programmes for underprivileged youth in the service sector with a focus on soft skills and work readiness trainings. The programme ensures that 30% of targeted beneficiaries are women, and at least 70% of the trainees get employed. Over 2,500 youth were trained through the project in FY 2022-23.



"I got to know about YES Foundation's future skills programme through an orientation session organised at our college. I completed my course in Java, which helped me in coding. I now have an improved skill set and I am grateful to the project for changing my life."

- **Shruti**, Project Beneficiary

#### Entrepreneurship

YES Foundation remains committed to playing its part in the achievement of the Sustainable Development Goals (SDGs) and contribute to the national vision of an *Atmanirbhar Bharat*. The Foundation's enhanced value proposition focusses on nurturing rural entrepreneurs and maximising their potential with an objective of strengthening rural economies.

The Foundation's entrepreneurship focussed programme enhances income generation opportunities through farming extensions, agricultural inputs and promotion of handicrafts and handlooms. During the year, over 15,000 community members from rural Haryana, Odisha, Madhya Pradesh, Rajasthan, Assam and Uttar Pradesh were engaged through entrepreneurship development training and capacity building, market linkage and productivity enhancement.

In addition, over 5,000 farming households from rural Gujarat, Maharashtra, Madhya Pradesh and Rajasthan enhanced their income as they adopted climate resilient cropping practices, supported with soil conservation and water management technologies.



Uma Bai, a Project Beneficiary in the village of Bagdar in Rajasthan, belongs to a poor landless family whose primary source of income is labour work. Her husband also works as a farm labourer but they face livelihood insecurity during monsoons when no labour work is available in the village. Uma expressed interest in starting a dairy business when consulted by the programme. She received training on dairy management through YES Foundation and is now able to earn a monthly income of seven thousand rupees by selling buffalo milk to a cooperative. Commenting on the programme, Uma said, "I can take care of my small children since I have a regular source of income and I don't have to stay away from home for long hours."

## Contributing to Communities

### ENVIRONMENTAL SUSTAINABILITY

#### 1. Climate Modelling

The YES Foundation Chair at IIT Delhi promotes excellence and leadership in the field of climate change research, climate model development and improvement for accurate future climate change projections in the Indian context. The YES Foundation Chair in collaboration with the Department of Science & Technology (DST), Centre of Excellence (CoE) in Climate Modeling at IIT Delhi, has been instrumental in developing an India Centric Climate Model (ICCM) and worked on 10 research papers on various aspects of the ICCM that have advanced the understanding of the Indian climate and the impacts of climate change on crops, health, glaciers, and wind energy resource of the country. In the process, about a dozen early career researchers have been trained as climate modellers as a part of capacity building, thus preparing the next generation of India's climate modellers.

#### 2. YES! to Sustainable SMEs in India

Small and Micro Enterprises (SMEs) play a critical role in India's economic growth but the sector also accounts for a significant portion of India's total industrial pollution. 'YES! to Sustainable SMEs in India' is a programme implemented by YES Foundation, which aims to support SMEs for adopting best practices in Energy Efficiency.



Chemical Resources, a Panchkula-based SME, manufactures medicines since 2003. As part of the project, a walk-through energy audit was conducted and it was identified that the unit's power factor controlled panel was not working properly which led to additional energy consumption. The auditor suggested installing a variable frequency drive on large motors which could operate at variable loads and installation of automatic control of cooling tower fan, which would enable energy conservation during cold days. Repairation of the plant's power factor controlled panel, helped the SME unit save approximately ₹ 1.42 lakh, thereby conserving 18,000 kWh of electricity.



#### Payroll Giving Programme

In 2022, YES BANK launched its payroll giving programme for YES Foundation. Over 20% of the Bank's employees enrolled for this initiative, contributing nearly ₹ 80 lakh per annum towards various social causes.

#### Employee Volunteering

In FY 2021-22, YES BANK instituted its employee volunteering policy and launched its employee volunteering programme called 'EVOLVE' to enable its employees to contribute towards social causes and the community. Since then, YES BANKers have volunteered to provide financial literacy to rural groups, build capacity for select NGOs through a consultative approach and deliver work readiness modules to trainees. Over 25% of the Bank's senior and middle management contributed their time towards these social efforts in FY 2022-23.

# Principles for Responsible Banking: Portfolio Impact Assessment and Targets

The United Nations’ 17 Sustainable Development Goals (SDGs) provide a holistic blueprint for building a sustainable society of the future. The SDGs provide the banking sector an opportunity to align its business activities and financing to larger societal goals and outcomes, and to ensure that financial systems of the future are geared towards sustainable growth.

In 2019, YES BANK along with 32 global Banks and UNEP FI, founded the UNEPI Principles for Responsible Banking (PRB) – the first global framework for enabling the banking sector to align its business to the objectives of the SDGs and the Paris Climate Agreement. YES BANK continues to be the only Indian Founding signatory amongst 230 global Banks that have joined PRB’s call to action. The PRB framework calls upon banks to undertake an impact analysis of their portfolios in order to assess how their businesses interact with and impact the 17 SDGs, and to minimise negative impacts and maximise positive impacts of their businesses.

In FY 2021-22, the Bank used the amended UNEP FI PRB Portfolio Impact Assessment tool v2, (published on

July 16, 2021), to assess its portfolio. The tool assesses the potential impacts of the Bank’s exposure towards various sectors on 22 key impact categories, derived from core elements of SDGs (as defined in the UNEP FI Impact Radar), in the context of India’s need and challenges. These impact categories include availability and quality of water, food, education, employment, housing, health & sanitation, energy, climate change, resource efficiency, waste, information, culture & heritage, mobility, air, soil etc. The portfolio covered under the assessment, comprised of the Bank’s Wholesale Banking portfolio 43% of total advances and Retail and SME Banking segment 57% of total advances (including the entire Product Suite of Retail Banking viz. CASA deposit, Home Loan, Vehicle Loan, Business Loan etc.).

To understand and take into account India’s environmental, social, and economic context, in which the bank operates, Bank has utilised the tool to

### Linkages

C3	M1	SBO10	R8
C5	M3		R11





## Principles for Responsible Banking: Portfolio Impact Assessment and Targets

identify the level of need at national level, with regards to 22 impact categories. Considering the scope, scale of exposure, context and relevance in the impact assessment, Bank has identified and prioritised Climate Change and Financial Inclusion as most significant/material areas, to pursue focussed approach driven by specific, measurable, actionable, relevant and time bound targets, in consultation with top management.

Bank has established holistic strategies and approaches on enhancing positive impacts and reducing negative impacts pertaining to Climate Change and Financial Inclusion. Bank has identified significant indicators, on which it has initiated performance measurement and disclosure and also taken targets, where feasible. Bank has developed action plans to enhance its performance on these indicators.

Significant Impact Areas	Alignment with national priorities	Bank's ambition	Targets developed	Target Implementation and progress
<b>Climate Change</b>	Paris Agreement, India's NDCs	Portfolio alignment with well below 2 degree scenario, striving for 1.5 degree scenario	<ul style="list-style-type: none"> <li>Bank has measured financed emission of electricity generation portfolio and has developed targets for reducing the sectoral emission intensity in line with the ambition</li> <li>In process of measurement of financed emissions for other climate intensive sectors and developing targets</li> </ul>	Bank has reduced emission intensity of electricity generation portfolio by 35% in FY23 from base year of FY22
<b>Financial inclusion</b>	National Strategy for Financial Inclusion	Contribute to and further the government and RBI's goals to expand the access of financial services, deeper into rural underserved areas.	With a focus on women microfinance borrowers, Bank has taken following targets: <ul style="list-style-type: none"> <li>To realise 20% Year on Year (Y-O-Y) increase in number of women beneficiaries till FY26 from 7.6 lakh women beneficiary in FY23</li> <li>To achieve 25% Year on Year (Y-O-Y) increase in annual disbursements to Women microfinance borrowers till FY26 on a baseline of 1,495 crore in FY23</li> </ul>	Action plan includes expansion of existing BCs, empanelling new BC partners and increase in ticket size of existing customer base

# Economic Value Generated, Distributed and Retained

The United Nations' 17 Sustainable Development Goals (SDGs) provide a holistic blueprint for building a sustainable society of the future. The SDGs provide the banking sector an opportunity to align its business activities and financing to larger societal goals and outcomes, and to ensure that financial systems of the future are geared towards sustainable growth.

## Linkages

C1	M3	SBO1	R2
	M12	SBO3	R3
	M14	SBO4	R4
	M15	SBO5	R7
	M17	SBO6	10

Particulars	FY 2022-23 ₹ in '000	FY 2021-22 ₹ in '000	Remarks
<b>Economic Value Generated</b>			
Revenues	266,240,802	222,859,806	P&L Account, Annual Report 2022-23
<b>TOTAL</b>	<b>266,240,802</b>	<b>222,859,806</b>	<b>A</b>
<b>Economic Value Distributed</b>			
Operating costs <sup>#</sup>	52,987,572	39,887,026	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2022-23
Employee wages and benefits	33,627,003	28,556,914	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2022-23
Payments to providers of capital	147,798,587	125,256,577	Annexure A
Payments to Government <sup>**</sup>	704,806	971,711	Cashflow Statement FY 2022-23
Community Investments <sup>§</sup>	345	102	As per our books of accounts
<b>TOTAL</b>	<b>236,868,259</b>	<b>197,396,874</b>	<b>B</b>
<b>Economic Value Retained*</b>	<b>29,372,543</b>	<b>25,462,932</b>	<b>A-B</b>

## ANNEXURE A

Interest on deposits	101,087,174	84,574,353	Schedule 15 – Interest Expended, P&L Account, Annual Report 2022-23
Interest on RBI/Inter-bank borrowings/Tier I & Tier II debt instruments	45,905,501	40,705,478	Schedule 15 – Interest Expended, P&L Account, Annual Report 2022-23
Others	805,912	(23,254)	Schedule 15 – Interest Expended, P&L Account, Annual Report 2022-23
Dividend paid for last year	-	-	P&L Account, Annual Report 2022-23
<b>Payments to providers of capital</b>	<b>147,798,587</b>	<b>125,256,577</b>	

\* Calculated as per the GRI 201 Standards

# Excluding Employees Wages and Benefits, which has been shown separately

\*\* Includes direct taxes paid to the Government. Previous year figure has been correspondingly reinstated.

§ Community Investments include voluntary donations made. Previous year figure has been correspondingly restated

\*\*\* To the best of its knowledge, either directly or indirectly, the Bank has not made any monetary contribution/ undertaken any spending towards any political campaigns or political organisations in FY 2022-23

# Management Discussion and Analysis



## Executive Overview

### MACROECONOMIC AND INDUSTRY OVERVIEW

The economic setting for FY 2022-23 was a difficult one. Even as the global economy was recovering from the aftershocks of the COVID-19 pandemic, the world witnessed a major geopolitical conflict in early 2022 which prolonged the economic recovery. The pandemic-induced output contraction was followed by supply chain disruptions, rise in commodity prices and a surge in inflation in most economies worldwide. Global central banks, led by the US Federal Reserve, responded with a synchronised policy rate action. The tightening of the financial conditions across the world took its toll on the economic activity, while financial markets remained volatile and usually sensitive to the incoming data.

Even though, India's economic growth has significant bearing of domestic consumption and investments, the country was unlikely to have remained totally decoupled from these global developments. High global commodity prices, especially of food and oil, led to an increase in

imports, exports also lagged on account of slower global growth. This, along with the strengthening of the US dollar vis-à-vis basket of other global currencies, led to sharp depreciation pressures on the domestic currency. The second half of the financial year saw some respite in commodity prices owing to global slowdown fears, mending of the supply chains and reopening of China. Though inflation in many countries have cooled down from the peak, policy makers globally face a likely scenario of a slowdown in economic activity.

Domestic economic activity exhibited resilience in FY 2022-23 due to pent-up consumption demand, revival in the contact-intensive services sector and government's push for capital expenditures. In the first half of the previous financial year, the higher trade gap remained a drag on Gross Domestic Product (GDP) growth from the expenditure side, while private investment continued to lag on the back of weak external and domestic demand outlook. In the second half of the year, private consumption demand started to exhibit sluggishness with the normalisation of pent-up demand. This was partly neutralised by a reduction in

drag from external trade as imports moderated faster than exports due to declining global commodity prices.

As per the official government estimates, India's GDP is projected to have clocked 7.2% growth in FY 2022-23 and continues to be one of the world's fastest growing economies, and also the fastest growing Asian economy. However, going forward, protracted geopolitical tensions, tighter global financial conditions, volatility in global financial market, slowing down of global growth and external demand, pose critical risks for India's growth outlook. The Reserve Bank of India (RBI) estimates India's GDP to grow by 6.5% in FY 2023-24, while the latest GDP growth estimate of the International Monetary Fund (IMF) is at 5.8%, quite higher than average level of growth estimated at 3.9% for Emerging and Developing Economies.

Like in many other parts of the world, India too, witnessed elevated levels of inflation in FY 2022-23. India's, headline CPI inflation was already a tad above its threshold level of 6% in January and February 2022, while it shot up from March 2022 onwards to 7%+ levels. Matters were further complicated by the heat wave in April and a consequent loss of agricultural production, leading to food prices shooting up by 7.8% to 8.3% in April-June 2022. Government policies were unleashed to address the inflationary pressures. Exports of wheat and rice were banned, while the customs duty on edible oil was reduced. This led to retail food prices dropping to an average of 5.4% in the second half of FY 2022-23 from 7.8% in the first half of FY 2022-23. Headline CPI inflation dropped to 6.2% in the second half of FY 2022-23 from 7.2% in the first half of FY 2022-23, averaging at 6.7% for the full year. While food prices exhibited volatility, core CPI remained sticky at higher levels through FY 2022-23, averaging at 6.2% in the second half of FY 2022-23 from 6.4% in the first half of FY 2022-23.

To contain inflation pressures in the economy, the RBI started to move away from pandemic-related monetary measures. First, the Central Bank set up a Standing Deposit Facility (SDF) at 40 bps above the fixed rate reverse repo rate. The repo rate hiking cycle started from May 2022 and it was raised by 250 bps till the end of FY 2022-23. Thus, the cumulative rate increase effected by RBI was 290 bps over the past one year. In tandem, the RBI also started to rein in surplus liquidity infused into the system through the pandemic period. With conditions around inflation improving, the central bank skipped hiking the repo rate in the April 2023 Monetary Policy, but RBI Governor Shaktikanta Das indicated this to be a "tactical pause and not a pivot".

## 7.2%

India's  
projected GDP  
growth in  
FY 2022-23

## 6.5%

India's  
GDP growth in  
FY 2023-24, as  
projected by RBI

## 5.8%

India's GDP growth  
in FY 2023-24, as  
estimated by IMF

A strong and well-functioning financial sector fortifies the foundations of growth and development. The pandemic period had led to fears of erosion of health of India's financial sector. However, the RBI accorded the highest priority to preserving financial stability by taking quick and decisive steps to ease liquidity constraints, ensure adequate credit flows to the production sector and restore market confidence.

The RBI also strengthened the regulatory and supervisory framework for both banking and non-banking financial sectors to proactively identify, assess and deal with vulnerabilities. Thus, despite pandemic-induced bouts of volatility and global supply chain disruptions, the Indian financial system continued to be resilient, and is currently in a comfortable position to meet the credit demands as recovery and investment activity picks up. Indeed, the credit growth in FY 2022-23 was up 15.6% Y-O-Y, compared to a Y-O-Y growth of 11.0% in FY 2021-22. Credit growth has been improving in double digits for all population groups (rural, semi-urban, urban, and metropolitan). Growth was led by bank branches in metropolitan centres and accounted for nearly 60% of total credit by Scheduled Commercial Banks (SCBs). Private sector banks continued to outpace their public sector counterparts in credit growth and accounted for 38.4% share in total credit in September 2022 (vis-à-vis 37.5% a year ago and 29.6% five years ago).

## 290 Basis Points

Cumulative rate increase  
(including SDF) effected by RBI  
over the past one year

According to the RBI's Financial Stability Report (December 2022), SCBs continued to bolster their capital, with a capital-to-risk assets ratio (CRAR) of 16.0% in September 2022. Gross non-performing assets (GNPA) ratio of SCBs has been steadily trending down, falling to a seven-year low of 5.0% in September 2022, while net non-performing assets (NNPA) dropped to ten-year low of 1.3%. The provisioning coverage ratio (PCR) has been increasing steadily from March 2021 and has risen to 71.5% by September 2022. Despite a challenging global environment, the Indian banking system continues to be stable on the back of improving profitability and asset quality, with adequate level of liquidity and capital buffers. Moreover, the RBI's macro-stress tests for credit risks indicate that now SCBs are well-capitalised to withstand "moderate to severe" macroeconomic shocks.

Aggregate deposits recorded some moderation, growing at 10.2% in FY 2022-23 vis-à-vis 10.4% in FY 2021-22. This was led by a 13.5% growth in term deposits; while current and savings deposits recorded moderate growth of 9.8% and 5.0%, respectively. While the deposit mobilisation by public sector banks improved to 8.1% in FY 2022-23 (8.0% a year ago), it remained lower than 14.8% growth of the private sector banks. The all-India credit-deposit (C-D) ratio increased to 75.6% in March 2023 (compared to 75.9% in the previous quarter and 71.9% the last year).

**10.2%**  
Growth in  
Aggregate Deposits  
in FY 2022-23

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**9.8%**  
Growth in  
Current Account Deposits  
in FY 2022-23

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**5.0%**  
Growth in  
Savings Account Deposits  
in FY 2022-23

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External sector dynamics worsened in the first half of FY 2022-23 on account of an increase in imports (higher commodity prices) and a drop in exports (government restraint on exports of some commodities, including oil products and steel). Consequently, trade gap widened to around USD 28 billion by September 2022, but dropped back again to USD 19.7 billion by March 2023 owing to a drop in global commodity prices, including that of crude oil. On the other hand, net services exports improved consistently in the first three quarters of FY 2022-23. Consequent to the above trends, India's Current Account Deficit (CAD) widened to 3.7% of GDP in Q2-FY 2022-23 from 1.6% in Q4-FY 2021-22. Subsequent drop in oil prices led to a sharp improvement in the CAD/GDP ratio to 0.2% in Q4-FY 2022-23.

Global monetary policy dynamics led to an appreciation in the USD in first half of FY 2022-23 by around 16% against a basket of major currencies. However, the Indian Rupee (INR) depreciated by only 6.8% against the USD, better than many other Emerging Market Economies. Market interventions by the RBI contained volatility and ensured orderly movement of the INR. The RBI also announced measures to enhance capital inflows. Foreign exchange (FX) reserves were at around USD 618 billion at the end of FY 2021-22, and despite a drawdown, FX reserves were at a healthy USD 578 billion (as at March 31, 2023). The second half of FY 2022-23 presented a better atmosphere for USD/INR as it moved in a relatively narrow range of 81-83, with support coming from correction in USD in the global markets and a more comforting CAD scenario.

#### RETAIL BANKING

The Retail business in India's banking sector witnessed robust growth during the year under review, as the industry strongly bounced back post COVID-19 related slowdown. Official data indicates that private final consumption expenditure increased by around 8% in FY 2022-23 as compared with FY 2021-22. This aided an 18.5% growth in Retail Loans for the Banking Industry (Source: RBI Sectoral Deployment of Credit for February 2023 published on March 31, 2023).

The share of YES BANK's retail advances increased to 45% in FY 2022-23 from 24% in FY 2019-20, and the share of CASA + Retail Term Deposits stood at ~59% of total deposits. The Bank performed well across deposits and retail asset products and continued to provide personalised banking solutions.



## 45%

**Share of Retail Advances in Total Advances as at March 31, 2023**

(Vs 24% in FY 2019-20)

## 59%

**Share of CASA and Retail Term Deposits in Total Deposits as at March 31, 2023**

## 32%

**Growth in Liability Book of Branch Banking of YES BANK in FY 2022-23**

### Branch Banking

Enhanced retail liability mobilisation and an ongoing investment in branch network resulted in 32% growth in the liability book of branch banking. A strategic focus on mass affluent customers and SMEs in Metro Cities & Urban Markets yielded better results in high value acquisition and led to growth in the current account book.

The liability book growth in the previous year was achieved in the backdrop of a) system-wide significant liquidity tightening b) sharp rise in interest rates, and c) heightened competitive intensity in deposits. The growth of 10.3% in deposits was a tad higher than the industry. The Bank's Retail, SME and Mid-Corporates advances, grew better vis-à-vis the overall market. However, our

overall loan growth was curtailed at 12.3% owing to a degrowth in Corporate Loans.

The Current Account book in Metro Cities & Urban Markets grew 55% Y-O-Y.

The SME focus was also visible with 94% Y-O-Y growth in Trade & Forex business. In Current Account segment, we saw a continued momentum in higher new acquisition value.

Branch-led retail NTB (New-to-Bank) customer acquisition recorded 39% Y-O-Y growth. The NTBs acquired by Branch Banking hit a quarterly run rate of more than 3.5 lakh customers by the end of Q4FY23.

During FY 2022-23, YES BANK added 83 branches and expanded its geographical footprint to 1,192 branches and 150 Business Correspondent Banking Outlets spread across 700+ locations with 1,301 ATMs and Bunch Note Acceptor/Recycler.

The Bank also continues to embrace the ever-evolving digital landscape with cutting-edge technology to optimally acquire and provide superior customer service. As a part of its drive to take the Bank to the customer, the Branch Banking staff stepped up the adoption of AI-based YES Robot to provide its customers with retail liability and asset-based solutions as an employee assisted advisory tool.

### Digital Banking

YES BANK has invested significantly in new-age and digital technologies to offer a superior customer experience. To augment its offering, the Bank continues to partner with various FinTechs and corporates. Bank continues to be a leading player in new-age digital payments, including UPI, AEPS, NEFT, IMPS and NACH at 38.3%, 22.8%, 17.7%, 11.2% and 6.3% market share, respectively. YES BANK processes nearly every 3<sup>rd</sup> digital payment transaction in the country, which hovers between 10-12 billion on a monthly basis. To grow its digital volumes further and build resilience, the Bank has implemented cloud-native UPI, IMPS processors and alternate AEPS processors.





**YES BANK PROCESSES NEARLY EVERY 3<sup>RD</sup> DIGITAL PAYMENT TRANSACTION IN THE COUNTRY**

During the year, the Bank launched solutions around new payment aggregator and payment gateway guidelines (PAPG Guidelines) which limits only the PA licence holder to participate in aggregation services. It solves the collection and payout problems for the network partners who do not participate as PA in the ecosystem. Under this (Bank as PA – BAPA), 59 partners went live and transactions valued at ₹ 3,000+ crore were processed.

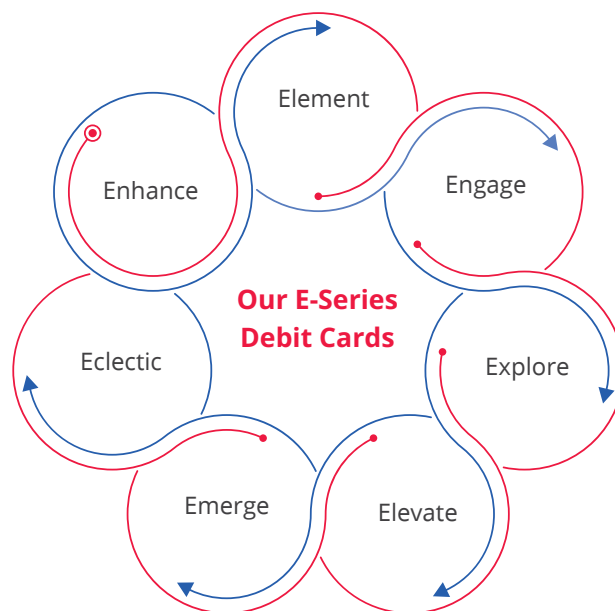
Over the decade-long journey of YES Money, the Bank has onboarded over ten lakh outlets which has aided its customers with simple banking transactions such as domestic money transfer and Aadhaar-based cash withdrawals.

**Debit Cards**

YES BANK has a complete suite of Debit Card products across three networks (Mastercard, Visa and RuPay), which cater to the varied needs of its customers. Segmented across its flagship customers, YES Private, YES First, YES Premia and YES Prosperity, these debit cards are designed and customised to fit the specific needs of customers. These cards offer unique benefits, including reward points on their spends, NFC-enabled contactless payments, complimentary lounge access at domestic airports (on select Debit Cards), MasterCard

gold lessons on YES First and YES Premia range of debit cards. Customers have also been provided with YES InControl, which allows them to manage their card spending and control card security parameters.

The Bank has also created its own brand of seven E-series Debit Cards to cater to varied customer segments.



YES Private Debit Card was launched in association with Mastercard for Banks Ultra High Networth Individual (UHNI) customers. This is the first debit card in Asia Pacific to be launched on the Mastercard World Elite platform and aims to bring forth best-in-class lifestyle experiences with unparalleled features and privileges for our private banking customers. In FY 2022-23, the Bank added 12.1 lakh new Debit Cards, increasing its overall card base to 44.2 lakh.

**Spectrum Banking**

Spectrum Banking is the Bank’s new-age channel that manages the entire Customer Life Cycle ranging from – Acquisition, Onboarding, Relationship Management, Customer Value Management, Activation, Retention and Service across the entire suite of retail products (namely, liabilities, retail assets, business banking, credit cards, merchants and third-party products) virtually through the spectrum of voice, chat and email. This channel manages relationships virtually across a base of ten lakh liability customers and is one of the fastest growing channels for the Bank.





### Acquisition, Onboarding and Customer Value Management of Liability Customers:

- Remotely managing relationships of YES First, YES First Business, YES Premia, YES Prosperity, Corporate Salary Account and Global Indian Banking (GIB) customers
- Liability Acquisition and Virtual Relationship Management processes have been ISO 9001:2015 recertified during the previous financial year
- Acquisition and Onboarding of retail assets, business banking, POS merchant and credit card customers, in addition to virtual relationship management of POS and business banking customers
- Deepening Credit Card customer relationships by offering term products such as EMIs and unsecured loans, and increasing stickiness by offering card upgrades, limit enhancements and card protection plan
- Cross-selling of Insurance, Investment, Trade Forex and Cash Management products to existing customers of the Bank

### YES Private

YES Private is the Bank's full-stack banking solutions client program curated especially for Ultra High Net Worth Individuals (UHNIs). The program is designed to offer a full suite of banking and enterprise solutions for the UHNI clients' business, wealth management, succession planning and lifestyle needs through a team of relationship and product specialists.

YES Private is a "by-invite only" program for clients who maintain average liabilities balances of ₹ 3 crore or a total relationship value of ₹ 5 crore at a family level.

In FY 2022-23, the YES Private program grew significantly from 250 customers to 1,500 customers, with a total book size of ₹ 3,400 crore, including Liabilities and AUM.

During the year, YES Private launched Asia-Pacific's first World Elite Debit Card on Mastercard platform for its clients.

**WORLD ELITE IS THE TOP-TIER CARD PLATFORM BY MASTERCARD EQUIPPED WITH BEST-IN-CLASS LIFESTYLE BENEFITS FOR UHNIs INCLUDING GLOBAL CONCIERGE SERVICES, AIRPORT LOUNGE ACCESS IN INDIA AND ABROAD, SPECIAL OFFERS AT WORLD'S LEADING HOTELS AND RESORTS, WORLDWIDE GOLF PRIVILEGES, AND BEST SEATS FOR EVENTS AND CONCERTS, AMONG OTHERS.**



**YES First and YES First Business**

YES First and YES First Business are the Bank’s flagship wealth management and business banking programs curated for HNIs for their personal and business banking needs. These specialised programs are imbued with a comprehensive customer-centric approach and offer curated product offerings and services, coupled with a host of lifestyle benefits, wealth management and exquisite service solutions to provide a delightful experience to our customers.

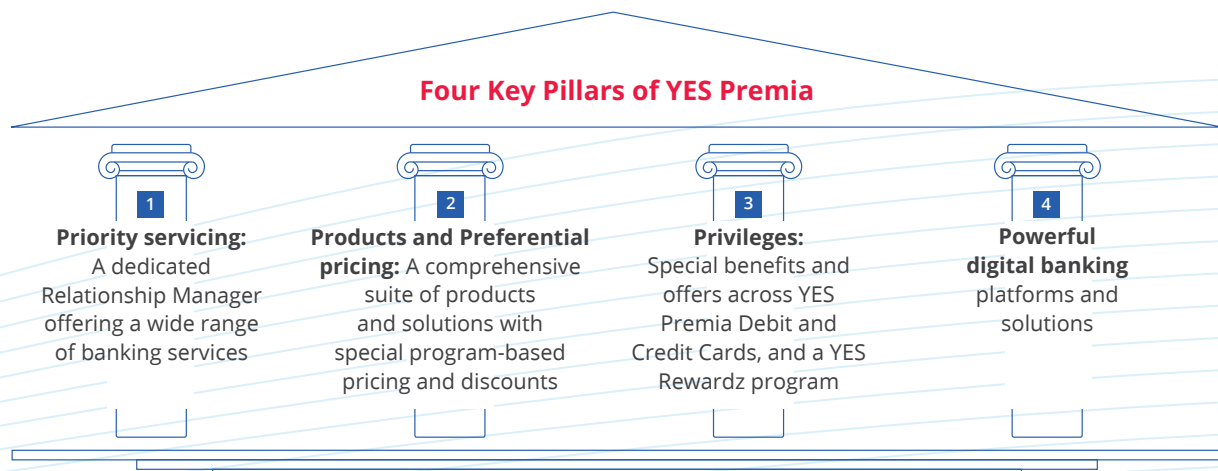
To enhance wealth management value proposition during the year, our YES First and YES First Business programs focussed on a plethora of initiatives. These ranged from conducting small format events with

industry experts to high profile webinars involving some of the most respected names in the Wealth Management industry. The topics for these events included wealth planning and investments and insightful coverage on key market and economic events. For YES First Business customers, a bespoke engagement format covering currency markets, hedging tools and transaction banking was introduced.

Aligned with a continuous commitment to provide superlative service experience to our affluent customers, YES FIRST Direct, a one-stop virtual branch was launched. Powered by Aadhaar Card, YES FIRST Direct empowers its customers to carry out financial as well as non-financial transactions with ease from the comforts of their home or office. YES FIRST Direct is designed to service all the customer requests, queries or concerns. The programs also pioneered in personalising its communications on informing the key contact points to customers through curated videos and downloadable contact cards for easy reference.

**YES Premia**

YES Premia offers customised premium banking solutions to the mass affluent segment with an emphasis on making banking seamless and enjoyable for our customers. The product has been carefully curated to provide customised banking solutions complementing the lifestyles and expectations of varied customer segments. YES Premia provides its customers with a ‘Truly Yours’ proposition, offering a wide range of targeted products, services, benefits and partnerships. In FY 2022-23, YES Premia saw a more than 40% addition in customers and its liability book.



### YES Prosperity

YES Prosperity is the Bank's mass retail programme, offering services for customers' individual banking needs. YES Prosperity is a feature-packed exclusive segmented savings account proposition for senior citizens, women and regular customers of the Bank. Furthermore, for business clients, it offers current account variants such as Edge Business, Prime Business and Exclusive Business, a first-of-its-kind three-tier product suite with an auto-upgrade and auto-downgrade facility to ensure the right product fit for every stage of the business lifecycle.

### YES Family

YES Family is a feature-packed proposition that offers wide-ranging services and rewards to meet the financial needs of the entire family. Packed with unique benefits and exclusive offerings, YES Family has been thoughtfully curated to make banking more convenient. It offers attractive products and solutions and rewards usage of cards and digital platforms. The program enables customers to care for the financial and overall well-being of every person in the family. The proposition is available across YES First, YES Premia and YES Prosperity program.

### Global Indian Banking

YES BANK's Global Indian Banking (GIB) program is a power-packed customised offering providing multiple avenues for non-resident Indians (NRIs) to curate and manage wealth across product categories through in-person and digital fulfilment models. This comprehensive product is complemented by a multi-channel servicing capability and benefits that extend beyond banking.

The GIB program offers comprehensive and superior experiential banking services for NRIs and Persons of Indian origin (PIOs). It provides financial solutions to NRIs, including deposits, remittances and wealth management products. This liability product suite comprises savings, fixed and recurring deposit offerings denominated in INR, and foreign currency (FCY) denominated fixed deposits in eight global currencies. The Bank offers deposit-linked structured products (premium rupee/FCY plans) that provide higher returns to NRIs on their deposits, while availing maturity proceeds in INR or FCY. Additionally, the Bank also offers best-in-class NRI FX rates to credit NRI accounts held with the Bank. The Portfolio Investment Scheme (PIS) in the program enables customers to invest in India's equity markets. To fulfil their wealth enhancement and safety goals, the Bank also offers a host of investment and insurance solutions to NRIs for themselves and also for their families in India.





In FY 2022-23, the Bank's GIB proposition witnessed a host of enhancements, including an acceleration of its digital interface to allow digital customer onboarding, Re-KYC via digital platform, RM assisted deposit booking and customer servicing.

For more value-added services, the Bank introduced a curated product offering for NRIs and foreign nationals through its International Financial Services Centre (IFSC) Banking Unit (IBU). The product offers savings and fixed deposit accounts across three foreign currencies with the key proposition of short-term liquidity at higher interest rates. This provides customers with high-interest deposit options versus the minimal rates offered in their host country.

**Retail Banking Assets**

The Bank's customers can select from a wide range of retail loan products which include home loans, affordable home loans, car loans, two-wheeler loans, commercial vehicle loans, construction equipment loans, loans against securities, gold loans, personal loans, secured

business loans, health care finance, printing equipment finance, and working capital finance under a single roof. A diversified retail banking assets book across all products of the Bank witnessed the share of Retail Advances increasing to 45.2% in FY 2022-23 vis-à-vis 36.0% in FY 2021-22. The Bank has seen strong growth in all its retail business groups. It has preferred financing agreements with leading automobile manufacturers of cars, commercial vehicles and construction equipment, thereby enabling access to the wholesale and retail businesses of manufacturers and dealers across the country. The Bank offers its retail products at 1,004 branches across 579 locations in India.

**38.6%**

**Growth in Total Retail Advances in FY 2022-23**

(Vs 30.6% in FY 2021-22)



In FY 2021-22, the Bank enhanced its digital lending capabilities with the 'loan in seconds' platform as well as front-end automation initiatives using YES Robot, to provide customers with shorter response time and drive higher productivity. This has enabled the Bank to enhance new sanctions/disbursements which stood at ₹ 48,000 crore in FY 2022-23. With an eye on future retail-led growth ambitions and the need for a strong technology backbone, the Bank invested in Salesforce – the world's leading CRM Platform – to build a next-generation cloud-based loan origination system that enables concurrent processing, real-time credit decisions and industry-best turnaround time.

## ₹ 48,000 crore

### New Retail Sanctions/ Disbursements in FY 2022-23

The Bank has a diversified retail asset book which is built around analytics-based collection scorecards which augments our field force performance and enhances collection cost efficiencies. The Bank's collection efficiency stood at 97.5% in Q4 FY 2022-23, which is above pre-COVID levels.

### Rural and Inclusive Banking

The Rural and Inclusive Banking division of the Bank caters to the financial requirements of rural India through its basket of offerings targeting the entire agri value chain and also the underserved and unserved. This division is also responsible for complying with the requirements of lending to the Priority Sector. The division houses three Business Units, as stated below:

#### a. Rural Banking Assets

The Rural Banking Assets unit addresses the financial requirements of Indian farmers for crop production and ancillary activities through the issue of Kisan Credit Cards. To cater to specific needs of the farmers across specialised agri clusters, the unit offers its flagship crop loan product under different variants. It also takes care of the farm mechanisation needs of progressive farmers by financing purchase of tractors as the primary asset class, along with harvesters and agri implements. The unit also finances small business entities, self-employed professionals and entrepreneurs in rural areas for their specific business requirements. Currently, it caters to farmers requirements in eleven states of India, with dedicated manpower present in these geographies. As at March 31, 2023, outstanding

loans were offered to more than 45,000 farmers under the above categories.

**45,000**

**Farmers having Outstanding Loans in FY 2022-23**

**b. Inclusive & Social Banking**

In line with its commitment towards sustainable 'inclusive growth' in the rural and semi urban segment, YES BANK has always focussed on catalytic innovations and key partnerships to create and promote viable business models, while also providing 'access to finance' to its bottom-of-the-pyramid customers. It has a two-pronged strategy involving Inclusive & Social Banking (ISB) and Microfinance Institutions Group (MFIG) for the implementation of various financial inclusion initiatives, albeit in a profitable manner. Further, to provide comprehensive services, the Bank has aligned its ISB and MFIG businesses with its rural branches and it has also broadened the distribution channel through Business Correspondent (BC) branches and BC managed Banking Outlets (BCBOs).

The Bank promotes microfinance as an important asset class within its core business. On the wholesale side, through its MFIG unit, the Bank extends Term Loans to MicroFinance Institutions (MFIs) for on-lending, provides cash management services and caters to other banking and transactional requirements. On the retail side, the Bank's ISB unit, through its flagship group-lending program 'YES Livelihood Enhancement Action Program (YES LEAP)', provides financial services to women microfinance borrowers through Business Correspondents, with 100% of our customers being women.

**YES LEAP CONTRIBUTES SIGNIFICANTLY TOWARDS EMPOWERING WOMEN IN THE REMOTE AREAS OF INDIA.**

**7.6 lakh**  
**Active women customer base in YES LEAP**

**₹ 14,600 crore**  
**Cumulative disbursement in YES LEAP (since inception)**



As at March 31, 2023, the Bank had an active women customer base of 7.6 lakh. And since its inception, a cumulative disbursement of over ₹ 14,600 crore has been made through the programme, reaching out to over 34 lakh families till date. Further, to help its customers during unfortunate times, the Bank offers optional insurance products which includes a customised loan cover life insurance product and a new tailored hospital cash product for rural and semi urban segment to help them reduce their out-of-pocket hospitalisation expenses. The Bank currently has 150 BC Banking Outlets (BCBOs) which enabled the Bank to provide both Asset and Liability solutions to over 32,000 customers in the rural segment.

### c. Agribusiness Product Management

Agribusiness Product Management (APM) is the Bank's specialised vertical, which houses industry and banking professionals with relevant domain knowledge and skill sets. The team closely interacts with Food and Agri clients to create customised lending propositions for the agri value chain participants – including farmers, SMEs and corporates. It facilitates in building of banking opportunities in the agri value chain through suitable financial products, while also mitigating the credit risk. The team is also responsible for ensuring that the Bank meets the regulatory Priority Sector Lending (PSL) norms, in collaboration with the other Business Units that generate PSL assets.



As a part of agri value chain financing, the Bank has created a granular portfolio against the pledging of agri commodities, while also ensuring adequate risk mitigation. Within APM, a specialised team closely monitors the commodity pledge financing portfolio and mitigates the inherent risks through mark-to-market of commodity prices and in-depth data analysis using various tools and techniques. This end-to-end process is carried out on digital platforms to ensure faster customer service and superior experience. As at March 31, 2023, the Bank had a commodity pledge finance portfolio of more than ₹ 1,850 crore, with nil delinquencies.

### Credit Cards

YESBANK's Credit Card unit is known for its customer-first approach, strong product suite, evolved distribution strategy and superior customer service, complemented by robust risk management systems. With 14.2 lakh credit card-holders, the business continues to scale upwards with 63% Y-O-Y growth and 66% Y-O-Y growth in the outstanding book and spends, respectively.

The Bank's current product suite in Credit Cards consists of 18 products across consumers, small and medium-sized enterprise (SME) and commercial cards. In January 2023, the Bank launched a "Build Your Own Card" (BYOC) Credit Card, an innovative concept which offers a unique and an engaging proposition to its customers to build a fully customisable card including giving them the choice of card plastic material, image, perks and offers, among other features. Since its launch, the Bank is already issuing more than 3,000 BYOC Credit Cards every month.

The Bank's fully digital customer onboarding platform, clubbed with a real-time credit card approval process and virtual card issuance (on a select base), provides the customers with card details in less than 10 minutes of receiving the application. More than 81% of new credit card issuances in March 2023 were processed digitally. In December 2022, the Bank also introduced a digital co-origination journey with a Savings Account bundled

**14.2 lakh**  
No. of Credit Card  
Holders with  
YES BANK

**3,000**  
No. of Build Your  
Own Cards issued  
every month



with credit card in December 2022, and sourced more than 6,000 such Savings Accounts in Q4 FY 2022-23.

Today, the Bank has reduced its lifetime-free Credit cards to just 30% of the total cards issued. Alongside a robust distribution strategy, YES BANK Credit Cards focus on incremental customer engagement backed by strong alliances and partnerships, resulting in higher card spending, activation rates and a growing wallet size.

### Merchant Acquiring Services

YES BANK is one of India's leading Merchant Acquiring Services provider, with a best-in-class product suite backed by high service standards and a robust technological infrastructure. The Merchant Acquiring Services focusses on managing merchant relationships via a dedicated Relationship Officer in the field and also through Virtual Relationship Officers, thus continuously working towards developing an overall engagement. Merchant Acquiring Services cater to more than 1.5 lakh merchant establishments and currently deploy close to 35,000 payment acceptance devices on a quarterly basis. Close to 80% of the current deployments are processed digitally via the YES Insta app.

Merchant Acquiring Services offer state-of-the-art Android-based point of sale (POS) devices, SoftPOS solution, same-day and holiday settlements, and an array of other value-added services, including SMS Pay, EMI, dynamic currency conversions (DCC) and best-in-class solutions for BQR/UPI payments like BQR Standee and BQR Soundbox. The Bank continually invests in new products, enhanced services and advanced digital processes.

### Fintech Partnerships

YES BANK engages with multiple fintech partners to enable the acquisition of incremental new-to-bank (NTB) customers across liabilities, assets and credit cards. By collaborating with select Fintech Partners, the Bank is building a sustainable and scalable low-cost acquisition model. Selecting a Fintech Partner is a well-thought-out strategy with a segmental-based focus to ensure differentiated product offerings and value-creating propositions. By leveraging unique propositions with the Fintech Partner's superior UI/UX and a robust application programming interface (API)-based technology stack, YES BANK is also able to offer and cross-sell Bank's relevant product and services.



**SME Banking**

The Bank's Small & Micro Enterprises Banking (SME) business caters to all the financial requirements of the SME ecosystem. There are dedicated Relationship Managers for business origination and relationship deepening across trade, forex, cross-selling of CASA, financing individual / commercial asset requirements through coverage in over 700 branches. The team constitutes Relationship Managers and Product Specialists who are nuanced from the industry. The segment provides solutions-oriented financial planning for their working capital and long-term capital expansion requirement. A majority of this business originates from internal channels with parameterised and discretionary lending, thereby enabling faster credit decisioning. This allows the Bank to calibrate its reach and optimise the cost of delivery to the client.

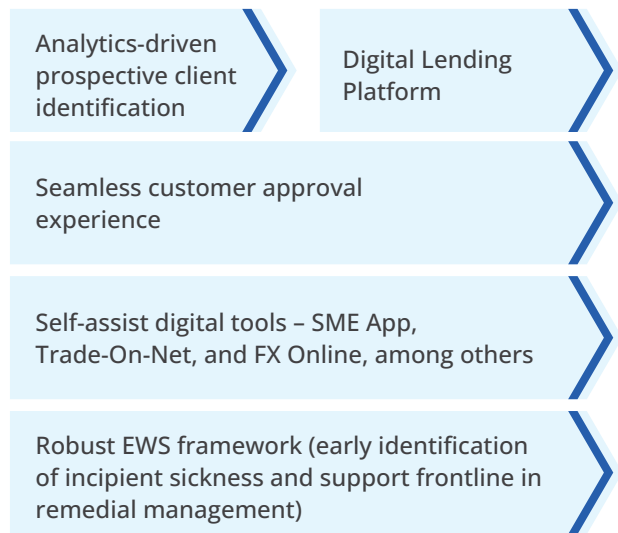
External channels of sourcing are initiated to have an outreach for incremental market share. Dedicated efforts are taken in building alliances in Supply Chain Finance, Co-lending has been undertaken with an overall four-pronged strategy to evaluate the policy framework, sourcing mechanics, and digital delivery to fulfilment.

With the shift towards digital transactions, the Bank has curated a digital lending platform, especially for SMEs, to sanction loans by data triangulation which is effected with the consent of the borrower. This leads to faster decision-making and optimises effective communication with the client about his borrowing requirements.

The Bank's industry leading solution, YES SME, provides a single interface for all transactional banking needs of SMEs, including cash flow management, credit limits and utilisation, certain credit document submission, and bulk payments, among others.

The Bank has successfully implemented E-Sign and E-Stamp facilities, which supports digital execution of loan agreements. This leads to faster loan fulfilment and provides a seamless customer experience.

Our Digital & Analytics solutions are improving productivity and enhancing customer experience with:





The Bank has a robust expertise in trade and forex management. With a stringent focus on customer engagement for increasing penetration on 'Smart Trade' application. Smart Trade/FX online are secure platforms for initiating online trade/FX transactions, through which customers can place a transaction request, which will automatically flow to the Bank for digital processing.

In line with the Bank's strategy to institutionalise its 'Knowledge Banking' approach, the Bank has partnered and inked MoUs with various trade and industry associations including the Government-sponsored bodies. The aim behind this is to conduct banking knowledge events and SME cluster development programmes in RBI-defined clusters and business carnivals and to provide easy and inclusive financial assistance, and ensuring that customers have access to best-in-class schemes and benefits.

The Bank continues to explore targeted products aimed at green financing, which includes:

- Offering loans for the adoption of rooftop solar amongst SMEs;
- Offering bank guarantee and commercial vehicle financing for urban waste collectors and processors;

- Financing equipment manufacturers of Effluent Treatment Plant/Sewage Treatment Plants; and
- Supporting the Electric Vehicle ecosystem by financing auto ancillaries/charging infrastructure players.

This differentiated positioning, along with customised solutions, a dedicated relationship team, knowledge-banking experts and an extensive network helps the Bank deliver an unmatched one-stop service to SMEs, and address their end-to-end requirements.

## WHOLESALE BANKING

As the Bank accelerates its transformational journey, its strategic focus in maintaining sustainable growth is aimed at developing and driving liability franchises and strengthening its asset business, along with strong governance and compliance as well as prudent risk management. To further develop these objectives, the Wholesale Banking Group continues to play a key and pivotal role for the Bank.

### Large Corporates

YES BANK's Large Corporates business division provides comprehensive financial and risk management solutions to large corporate clients. The Bank offers comprehensive client-focussed services encompassing:

- Working capital finance
- Capex loans
- Project finance
- Transaction banking products
- Trade finance
- Cash management services
- Debt capital markets
- Treasury services (foreign exchange risk management)
- Investment banking (M&A advisory, fund raising)
- Foreign currency loans including ECBs
- Overseas financing (via IBU in GIFT City)
- Liquidity management solutions

With the theme of Ecosystem Banking and the Bank's service-centric approach, it also focusses on the entire ecosystem of its clients by catering to dealers, vendors and customers of corporate clients.

The Bank is committed to making continuous improvement in its service level, risk management and product portfolio through research, benchmarking and client orientation with a key objective of strengthening its existing relationships and gaining market share.

The Bank's Product-related teams have knowledge of key sectors such as roads, renewable energy, ports, refineries, metals, warehousing, and data centres to facilitate underwriting of exposures across business segments. These Product teams also engage with key stakeholders to deepen their understanding of these sectors, market conditions and industry developments, and help devise sector-wise strategies. This distinctive approach also translates into stronger relationships with clients in knowledge-driven sectors such as life sciences & healthcare, information technology, food & agribusiness, manufacturing, infrastructure, hospitality and education.

With the goal of offering a one-stop solution to its corporate clients, the Large Corporates Group also works in partnership with its Retail Banking team to offer meaningful personal banking services such as Savings Accounts, Credit Cards and Retail Assets to the employees of its Large Corporate clients.

### **Institutional and Government Banking**

YES BANK's Institutional and Government Banking team is divided into seven key segments:

- Government Banking
- Multinational Corporate Banking
- Indian Financial Institutions Banking
- International Banking
- Corporate & Government Advisory
- Food & Agribusiness Strategic Advisory and Research
- International Banking Unit

#### **a) Government Banking**

This Group provides government entities, financial institutions and multinational companies with comprehensive client-focussed services. The Bank's services to this segment encompasses liquidity management solutions, treasury risk management solutions, transaction banking products, trade finance and cash management services, supply chain finance, working capital finance and term loans.

The Bank's Government Banking segment addresses financial and banking needs of the Central and State Governments and their affiliates. Over the years, the Bank has provided financial and advisory services to ministries under the Union Government, State Government, Central and State Public Sector Undertakings, Boards and other affiliates. The Bank delivers innovative, structured and comprehensive solutions to this segment, and has accomplished several landmark transactions with Maharatnas, Navratnas, Mini-Ratnas and other apex institutions.

The Bank has deployed innovative collection and payment mechanisms with customised digital solutions for State Development and Procurement Agencies. It has also provided support to educational, religious and sporting institutions across India via its unique transaction banking offerings aimed at streamlining working capital management. The Bank partners with the State Governments through the public financial management system mode of payment to ensure seamless tracking of last-mile beneficiary disbursement.

#### **b) Multinational Corporate Banking**

The Bank's Multinational Corporate Banking segment focusses on emerging as a preferred host country and payments bank to global counterparts. As a result, an



increasing number of institutions have elected to utilise the Bank's network for their India-linked businesses. The Bank has established strong relationships with its multinational corporates across key trade corridors, increasing its share of India-bound remittances.

#### **c) Indian Financial Institutions Banking**

The Indian Financial Institutions Banking segment offers correspondent banking solutions to domestic banks and various financial institutions. The Bank has successfully deployed API banking, a technology that has emerged as a key service, to integrate and streamline the transaction processing cycle, and offer real-time instant banking facilities to cooperative banks, mutual funds, stock brokers, non-banking finance companies (NBFCs), payment aggregators, regulated payment operators and other financial institutions.

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

#### **d) International Banking**

The International Banking segment maintains relationships with an extensive network of international banks, financial institutions and exchange houses. It provides a complete suite of products and solutions, including trade finance, treasury services, investment banking solutions, remittance solutions, financial advisory and global Indian banking, for its partner institutions and internal stakeholders. It delivers unique and first-to-market offerings consistently by leveraging its global alliances.

#### **e) Corporate and Government Advisory Business**

To further the Bank's commitment towards India's holistic and inclusive growth, the Corporate and Government Advisory segment works across the emerging sectors of India's economy by executing knowledge and advisory mandates of social and economic importance.

The Group leverages its in-depth sectoral expertise, research skills and apex-level relationship capital across government and industry ecosystems to assist clients, including Central and State governments, multi-lateral bodies, industry chambers and private sector players, in their development and growth agenda. Our focussed sector-oriented approaches such as Smart Cities, e-mobility, etc. has created new banking opportunities for us and helped in deepening our relationships with key customer segments.



#### f) Food and Agri Business Strategic Advisory Research

YES BANK's specialised Food and Agribusiness Strategic Advisory and Research (FASAR) unit houses industry specialists with sectoral knowledge and experience in the food and agribusiness domain. FASAR rolls out strategic initiatives and generates banking opportunities on the back of knowledge banking services and focusses on exploring innovative banking opportunities, acquiring NTB clients and consolidating banking relationships with its existing clients. The unit works closely with corporates, SMEs, multinationals and Central and State Governments, and has executed multiple mandates on project, strategic and policy advisories across diverse sub-sectoral and thematic areas. FASAR also publishes reports and research papers regularly on key trends and developments in the food and agriculture sector.

#### g) International Banking Unit

YES BANK was the first in India to commence operations at the IFSC in GIFT City, Gujarat, in October 2015. Customer advances and investments at the Bank's IBU stood at approximately USD 976 million on March 31, 2023. IBU provides comprehensive solutions to the Bank's clients to meet their foreign currency banking requirements in cross-border trade offerings, external commercial borrowings and foreign currency loan syndications. In line with the requirements of the

International Financial Services Centres Authority (IFSCA), the Bank has formed a governing body comprising its senior executives to oversee the overall affairs of the IBU.

#### Mid Corporates

The Mid Corporates team focusses on corporates with a turnover between ₹ 100 crore and ₹ 1,500 crore. The segment lives up to its philosophy of supporting local corporates by being closer to its customers, developing a thorough understanding of their banking needs and delivering tailored solutions across an entire spectrum of banking services. Mid Corporate Segment's foundation pillars are its regional presence, granular asset and liability book, robust risk management, strong digital penetration, structured cash and trade solutions and sustainable growth.

Mid Corporate Segment leverages its USP of "Knowledge Banking" to cater to the requirements of focus sectors, including Auto Components, Food & Agri-processing, Gems & Jewellery, Media & Entertainment, Pharmaceuticals, Specialty Chemicals, and New Age & Technology businesses. It offers a customised suite of financial products including Term Loans, Funded & Non-Funded Working Capital Facilities, Cash Management Solutions, API Banking, Digital Banking and Trade & Treasury Products by leveraging cutting-edge technologies.

The Mid Corporate segment is on a growth path through its two-pronged approach of acquiring New-to-Bank (NTB) clients and deepening its existing relationships. The team currently runs its operations from 37 locations, and to further strengthen its regional coverage, it is working on adding 10 new locations in FY 2023-24. The team will continue to build this portfolio with a stringent focus on Cross-Sell through synergies with Transaction Banking, Digital Banking, YES Securities, FASAR, Treasury and Branch Banking.

The Mid Corporate segment is deeply entrenched in India's New-Age Entrepreneurship ecosystem through its bespoke digital solutions, incubation and networking platforms provided to E-Commerce, Fintech, and Agritech businesses. The Bank has a dedicated team providing innovative banking solutions to cater to the unique requirements of start-ups. Over 60% of the unicorns and 1,000+ other top start-ups in India have placed their trust with YES BANK. The team works in unison with Digital Banking, Transaction Banking, Liability Products, Food & Agri Advisory and Retail Banking teams.

### Mid Corporate Segment's unique and industry-first solutions for start-ups



### Transaction Banking Group

The Transaction Banking Group (TBG) at YES BANK is a specialised product group offering trade finance, cash management and supply chain financing services to corporates, governments and financial institutions. TBG also engages with strategic business influencers to provide customised solutions to them and to their clients through its B2B2C approach.

YES Transact is TBG's comprehensive product suite that caters to the working capital and liquidity management requirements of businesses across sectors and to a spectrum of retail and wholesale client segments. Its product suite includes:

- Cash management services for managing receivables and payables
- Customised and innovative digital solutions, including market-leading API banking solutions
- Digital solutions for correspondent banking and NBFCs
- Specialised products and solutions for government entities, including Central and State bodies
- Fiduciary services, e.g., escrow, nodal and RERA
- Capital market-related products, including settlement and custodian services
- Curated solutions for trusts, associations, societies and clubs (TASC)
- Trade finance, e.g., letters of credit, bank guarantees, export and import credit, and remittances
- Structured trade and supply chain solutions including digitisation initiatives and fintech engagements
- Foreign exchange services, e.g., cross-border remittances for exchange houses and authorised dealers and foreign currency notes
- Bullion sales and gold metal loans

The TBG leverages its product and technology expertise to offer innovative digital solutions by designing, developing and co-creating products with corporate clients, fintech/technology partners, banks and exchange houses. The group effectively drives digitisation in the entire financial supply chain of businesses across sectors, and leverages its flagship API banking, fintech partnerships and product knowledge base through its product and sales teams.

The group also manages Internet Banking and API channels for its corporate clients. The API Banking solution, which was introduced in September 2015, today provides 450+ API-related services. TBG's supply chain unit works with its strategic corporate clients to harness their supply chain linkages and provide critical liquidity solutions to their SME partners. These solutions are provided by leveraging cutting-edge technology, including artificial intelligence (AI), blockchain and API banking. The group also offers the 'YES Connect' platform, an API marketplace that brings together banking (products and services offered by the Bank) and beyond banking (solutions from third-party partners) solutions in a simplified manner.

TBG also has a specialised and niche vertical for corporate client management, which is an exclusive service-oriented unit managing implementation and client service activities for all transaction banking products and solutions. This unit works on a 'phygital' model to provide a superior post-sales customer experience that creates heightened customer stickiness through its differentiated service proposition. This is now an ISO certified unit making it the first one from the TBG stable.

## Financial Markets

The financial markets segment offers a full range of products and services to large corporates, SMEs, government, retail and institutional clients. Whether it is providing comprehensive advisory services, macroeconomic research or debt capital market services, its focus continues to be on maintaining client relationships and ensuring their growth. The Bank currently has over 100 professionals serving these needs of clients at various branches across the country.

**FX Sales:** The Bank provides customised solutions for FX (foreign exchange) risk management to more than 25,000 clients pan India, including large and mid-sized corporates, PSUs, MNCs, banks and private equity funds. The Bank's well-developed retail franchise for FX business caters to SMEs, HNIs and NRIs, among others. The Bank provides spot and derivative products for efficient hedging of foreign currency and interest rate exposures for its institutional, corporate, SME and retail customers.

The segment offers products such as FX advisory for trade flows, foreign direct investments (FDIs), capital flows, external commercial borrowing (ECBs), American Depositary Receipts (ADRs) and hedging solutions for currency and interest rate exposures. Each account has a dedicated Treasury Sales Manager that provides key personal services such as timely market insights and sectoral expertise. Through IFSC in GIFT City, Gujarat, the Bank also provides electronic execution in various forms and hedging solutions to clients outside India.

**Primary Dealership:** YES BANK is one of the 21 Primary Dealers (PDs) designated by RBI to actively trade, underwrite and bid for government securities, T-Bills and State Government Bonds in auctions, providing a complete suite of sovereign debt. The Bank has dedicated sales personnel for dealing with mutual funds, insurance companies, foreign portfolio investors (FPIs), cooperative banks, provident funds and retail customers.

**Debt Capital Market (DCM):** This business originates and distributes onshore non-convertible debentures (NCDs), commercial papers and other structured finance products. The Bank's clientele in this segment comprises large and mid-market corporates, PSUs, central and state government entities and NBFCs. On the distribution front, the DCM desk has developed deeply entrenched relationships across various investor segments, including mutual funds, insurance

companies, provident and pension funds, FPIs, banks, private wealth managers and NBFCs. It has successfully executed deals ranging from vanilla transactions to highly structured debt solutions, including a renewable asset pooling structure, securitisation of infrastructure assets, lease rental discounting and NCDs issued by InvITs (Infrastructure Investment Trusts). The Bank's DCM team has consistently been ranked in the prestigious league table rankings and has also received several awards and accolades over the years.

**Balance Sheet Management Group (BSMG):** The Bank's BSMG team is the custodian of its cash, liquid assets and government securities portfolio. It manages day-to-day liquidity within the centralised treasury function with governance oversight by the Asset Liability Management Committee (ALCO). It also manages the Bank's investments in securities and is responsible for meeting statutory reserve requirements like Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The BSMG team is responsible for management of liquidity risk and interest rate risk exposures within the Bank's balance sheet. It also provides guidance on funds transfer pricing based on movement of funds within the Bank, which is an essential input for pricing of all the asset and liabilities products offered to its customers.

**Bullion:** YES BANK imports bullion on a back-to-back consignment basis to meet outright purchase and gold loan requirements of bullion dealers and jewellery manufacturers (both domestic and export purpose). The Bank has emerged as a dominant player in the Indian bullion market and established itself among the top three bullion importing banks in India. Today, it is one of the leading banks that successfully meets the demand of small and medium-sized manufacturers.

## Stressed Asset Management

YES BANK's Stressed Asset Management ('SAM') team leads management of distressed and non-performing assets (NPAs) originating from the Bank's corporate segments. The Group provides effective solutions for resolution of these assets by leveraging its understanding in rehabilitation, regulatory and recovery understanding. Over the past three years, the team has gained significant market knowledge and has applied the same in resolution of stressed cases of varying degrees of nuance and complexity. During the financial year, the SAM team continues to remain ISO 9001:2015 certified, reiterating its consistency in high level of standards and processes followed by the team.

The SAM team devises multi-pronged resolution strategies, including:

- operational and financial restructuring,
- identifying strategic investors for the takeover of stressed assets,
- resolving issues through the insolvency and bankruptcy framework,
- negotiating with borrowers for one-time settlements,
- recovering security interest by enforcing the Securitisation Act, and
- selling NPAs to asset reconstruction companies (ARCs) or other investors to optimise recovery outcomes (both in terms of recovery value, as well as timelines for recovery).

In addition, businesses of select stressed borrowers which was adversely impacted due to the COVID-19 pandemic were also provided with adequate support to help them revive their operations and turnaround their business and create value for all their stakeholders.

During FY 2022-23, the team successfully completed the assignment of NPAs totalling ~ ₹ 48,000 crore of gross outstanding as at March 31, 2022 to J.C. Flowers Asset Reconstruction Private Limited (JC Flowers ARC). This is by far the single-largest transaction of the sale of NPAs in the Indian Banking System.

## ₹ 6,120 crore

**Cash recoveries and upgrades achieved by the Stressed Asset Management team in FY 2022-23**

## SUPPORT FUNCTIONS

### Human Capital Management

Implementing a “people-first” culture truly works towards the sustainable competitive advantage for any bank. It not only helps attract and retain the best talent, but also drives more equitable outcomes. At YES BANK, we enjoy a culture that promotes meritocracy and career enhancement. The Bank has a total of 27,517 employees as at March 31, 2023 of which 3,171 employees were added in FY 2022-23. YES BANK’s 5C engagement model (culture, communication, connect, career and care) provides a consistent and enhanced employee experience. To make the world of work equitable, dynamic and more fulfilling, the YES School of Banking focusses on building skills for the future through sustained learning initiatives with the aim of building their capacity and capabilities.

## 27,517

**Total number of employees with YES BANK**

## 3,171

**No. of employees added in FY 2022-23**

The Bank offers developmental initiatives for its top and senior management leaders, including the APEX Leadership Program, the Leadership Excellence Acceleration Program (LEAP), and the Advanced Leadership Program (ALP). These initiatives focus on identification and development of key leadership competencies. To create an organisation that is diverse, equitable and inclusive, the Bank’s ‘EVE’olution initiative focusses on upskilling and developing its women executives. In line with its responsible banking objectives and to ensure that employees have a say in making YES BANK a trusted and successful institution, the Bank undertook the 2<sup>nd</sup> edition of the ‘Voice of YES Employee Survey’ in FY 2022-23. Furthermore, to build a steady stream of high-quality talent, the Bank has implemented innovative ‘train and hire’ programmes in FY 2022-23, including the YES Professional Banker, the YES Force and the YES Graduate programmes. The Bank continues to invest in hiring top-end, young talent from premier educational institutions through its flagship YES Professional Entrepreneurship program.



**THE BANK HAS BEEN CERTIFIED  
 AS 'A GREAT WORKPLACE' BY  
 THE GREAT PLACE TO WORK  
 INSTITUTE, INDIA FOR THE  
 PERIOD FEBRUARY 2023  
 TO FEBRUARY 2024.**

### Risk Management

The Bank's long-term financial security and success is built on its risk management architecture. The Bank's risk management is based on three lines of defence: (a) business units, (b) independent control functions, and (c) and internal audit. Further, the Bank's Board of Directors have the overall responsibility of risk management, with the risk management architecture being overseen by the Risk Management Committee (RMC) of the Board. Additionally, risk management is undertaken by four Board-level committees for respective risks, wherein risk assessment and management is undertaken within the Bank's Board-approved risk architecture.

The Bank is exposed to three Pillar 1 risks in the course of its business: credit risk, market risk, and operational risk. With the evolving banking landscape, the Bank is also exposed to Pillar 2 risks - liquidity risk, interest rate risk in banking book, and cyber security risk. These risks are also critical as they not only have a bearing on the Bank's financial strength and operations, but also on its reputation. The Bank is also exposed to many other risk parameters. A detailed description of various risks faced by the Bank, their respective governance framework, management and mitigation strategies, and their implication to the Bank is presented on Page 58.

The Bank has Board-approved risk policies that define its risk framework. The RMC and the Board monitors the compliance of various risk parameters and risk exposures on a periodic basis. The RMC also ensures that frameworks are established for assessing and managing various risks faced by the Bank. The RMC ensures that risk the Bank's framework is adequate and appropriate for changing business and economic conditions, structure and needs of the Bank and is well within its risk appetite.

Further, the Bank has a structured strategy assessment and management framework in the Internal Capital Adequacy Assessment Process (ICAAP) to identify, assess and manage the risks that may have a material adverse impact on its business strategy, financial position and capital adequacy. The ICAAP framework is guided by the Board-approved ICAAP policy. It also has in place a Board-approved risk appetite statement for key risks identified under ICAAP. There are internal policies and processes to ensure that the Bank operates within its risk appetite thresholds.

The Bank has also implemented a Board-approved stress testing framework that forms an integral part of ICAAP and risk assessment. Stress testing involves the use of various techniques to assess the Bank's potential vulnerability to extreme, but plausible, stressed business conditions. The Bank evaluates the impact of various stress testing scenarios on account of various Pillar I and Pillar II risk exposures.

### Internal Audit

The Bank's Internal Audit Department (IAD), which is ISO 9001:2015 certified (Quality Management System), provides an independent and objective assurance and consulting services to add value and improve its risk and control environment. The IAD monitors the adequacy, effectiveness and adherence to internal controls, processes and procedures instituted by the Bank's management and extant regulations.

The Internal Audit team reports to the Audit Committee ('ACB') of the Board for audit planning, reporting and review, and the Head of the IAD reports directly to the ACB of the Bank's Board of Directors. The IAD has unlimited and unrestricted access to all relevant data, systems, personnel and information to achieve its objectives. It is staffed with qualified team members with relevant certifications, and its training programme ensures that all team members are upskilled at frequent intervals.

The IAD has adopted a risk-based approach towards internal auditing, as per regulatory guidelines and internationally established best practices. A risk-based audit plan (RBAP) is prepared annually and is duly approved by the 'ACB'. The IAD audits various businesses, operations, information security/systems and support units as per the RBAP. The IAD prepares a report for each audit, recommends mitigation plans for the risks identified and ensures compliance with all the recommendations. The 'ACB' monitors the progress of the RBAP on a quarterly basis.

The Bank also subjects its operations to concurrent auditing by reputed audit firms to complement its internal auditing function. Concurrent auditing covers core activities, including operations (including credit), financial markets, data centres and branches in compliance with regulatory guidelines. All audit reports are circulated to the relevant management teams and the 'ACB'.

### Compliance

Ensuring compliance with regulatory requirements, promoting a culture of compliance among YES BANKers and building trust among all the stakeholders is an overarching consideration at the Bank. The dedicated Compliance Department strives to be at the forefront of regulatory changes and continues to work closely with all the Bank's businesses and operations to be compliant with existing and new requirements. To further this objective, the Chief Compliance Officer at the Bank reports directly to the ACB.

The key functions of the Compliance Department align with various RBI guidelines, which includes identifying effective procedures, corresponding controls to support the Bank's business divisions and the dissemination of key regulatory updates affecting the Bank's various businesses. The Compliance Department also reviews new products and processes from a regulatory compliance perspective, provides guidance on compliance-related matters, conducts compliance reviews and delivers training to employees on different aspects on compliance. In addition, the Bank has also put in place the KYC and Anti-Money Laundering policy approved by the Board and transaction monitoring procedures, as per the regulatory guidelines.

### Company Secretarial (CS)

During FY 2022-23, the Bank's Company Secretarial Function got certified ISO 9001:2015 for its function & processes based on the key attributes which includes risk-based approach, ability to consistently meet customer and regulatory requirements, standard operating procedures across the business process, monitoring and control mechanism and continual improvement framework.

The Bank is committed to achieving highest standards of Corporate Governance and the dedicated Company Secretarial (CS) Function of the Bank, endeavours to follow the best secretarial practices in order to uphold the governance standards of the Bank. The CS Function is responsible for the Regulatory Compliances under various Laws/Acts/Regulations/

Guidelines/Standards prescribed by SEBI, RBI, MCA and other stakeholders of the Bank.

CS Function being the Board Governance facilitator, plays a critical role in organising and implementing Board's decisions, its Committees and General Meetings. It handles the regulatory correspondence and ensures the fair, prompt, uniform and transparent dissemination of information to the stakeholders through stock exchanges. The designated Company Secretary is the KMP under the Companies Act and reports directly to the MD & CEO & the Chairman of the Board.

### Sustainable Finance

The Sustainable Finance (SF) function at YES BANK is responsible for integrating environmental, social and governance (ESG) considerations into the Bank's business. It is also responsible for aligning it with the objectives of global and national, sustainability-linked frameworks such as the National Guidelines for Responsible Business Conduct (NGRBC), Sustainable Development Goals (SDGs), the Paris Climate Agreement and the Principles for Responsible Banking (PRB), amongst others. The team works with Sustainability SPOCs (Single Point of Contact) across the Bank to implement its sustainability strategy and achieve its ESG-related targets, as set out by the Sustainability Council (chaired by the MD and CEO). The SF team is also responsible for updating the Board-level Corporate Social Responsibility (CSR) Committee and ESG Committee on the Bank's overall ESG performance and progress.

The SF team acts as the custodian of the Bank's Environment and Social Policy (ESP) which serves a structured approach to the Bank towards responsible lending. The ESP is an integral part of the Bank's Environment and Social Risk Management System (ESMS) which sets out the overarching framework for identification and management of potential and/or existing environment and social (E&S) risks commensurate with the nature and scale of transactions and their potential impacts. Through this policy, the Bank integrates environmental and social risks into its overall credit risk assessment framework.

The team also acts as the custodian of YES BANK's Environmental Management Policy which guides the implementation of bank-wide Environmental Management System (EMS). This EMS is designed to monitor and minimise the negative environmental risks and impacts of the Bank's operations by driving continuous improvement in areas such as natural resource conservation, responsible waste management,

sustainable supply chain and emissions reduction. In FY 2022-23, the Bank's EMS, covered 833 facilities, and has been certified as ISO 14001:2015 compliant for the tenth year in a row.

The SF function plays a key role in implementing the Bank's commitment to align its business strategy to the Paris Climate Agreement's goal of limiting global temperature rise. YES BANK continues to be the only Indian banking signatory to key global climate commitments such as UNEP FI's Principle for Responsible Banking and Collective Commitment to Climate Action. The Bank has pledged to reduce Green House Gas emissions from its operations to a Net Zero by 2030. To achieve this, the Bank plans to migrate most of its facilities to renewable sources of energy.

In FY 2022-23, the share of renewable energy in the Bank's electricity mix increased to 11% resulting in avoiding approximately 4,435 tCO<sub>2</sub>e emissions. Currently, the Bank's corporate office, YES BANK House, along with 34 of its 81 branches in Mumbai have switched completely to renewable energy sources. In FY 2020-21, YES BANK emerged as the first Indian Bank to measure and report financed emissions of its fund-based electricity generation portfolio. In FY 2022-23, the Sustainability Council approved the decarbonisation targets to reduce the financed emissions intensity of the Bank's fund-based electricity generation portfolio, in line with the Science-Based Targets initiative (SBTi) well below 2 degree, striving for 1.5 degree scenario. The Bank continues to support climate-aligned sectors like renewable energy, through its green bonds, and aims at developing targeted products for green financing. E.g., YES Kiran, the rooftop solar loans dedicated to SMEs.

The SF function works with teams across the Bank to enhance ESG and climate-related disclosures. In FY 2022-23, the Bank achieved the highest ESG score of 68 (out of 100), amongst Indian banks, in the S&P Global Corporate Sustainability Assessment 2022. For its climate change disclosures in 2022, the Bank was rated 'A-' (Leadership Band) by CDP, making it the highest rated Indian Bank for climate disclosures.

### Corporate Social Responsibility (CSR)

The Bank implements various programmes to create and enhance shared value through its unique, scalable and sustainable models to achieve its Corporate Social Responsibility (CSR). The Bank delivers internal and external positive socio-environmental impacts by following a unique approach that focusses on:

- Promoting principles of social responsibility and inclusive growth through awareness and support
- Investing in socially and environmentally responsible activities to create a positive impact
- Engaging with stakeholders to further the sustainability agenda of the Bank and empower them with knowledge and
- Collaborating with like-minded institutions and forging partnerships to address the needs of the stakeholders

This unique, multi-pronged approach has enabled the Bank to forge meaningful associations with its stakeholders, including community groups, non-profit organisations, governments, corporate peers and civil society, while delivering an exponential impact and concentrating on the Sustainable Development Goals (SDGs).

In FY 2022-23, the Bank continued to implement its five-year CSR strategy, which aims to inspire India's youth to lead economic and social development by training themselves for market-oriented jobs and up-skilling themselves. This strategy is implemented by YES Foundation, the Bank's social development arm, which aims to catalyse employment and entrepreneurship opportunities for 100,000 young people by 2026, while retaining its focus on environment sustainability.

# 100,000

**No. of youth to be catalysed with employment and entrepreneurship opportunities**

**Employability:** The Bank aims to capitalise on the demographic advantage India has in its younger generations. In FY 2022-23, through YES Foundation, over 2,500 young people have already been trained for the service sector, with over 70% of the trainees receiving gainful employment. Skills training provided to the trainees included work readiness and soft skills, which were delivered by employee volunteers through scheduled and structured sessions.

## >70%

**Trainees received gainful employment of the >2,500 youth skilled**

**Entrepreneurship:** To strengthen the local economies, YES Foundation partnered with several non-profit organisations to promote nano-enterprises with a distinct focus on enhancing income of farmers and empowering women in the rural areas. In FY 2022-23, over 20,000 rural households across six states enhanced their income through training and capacity building, market linkages and productivity enhancement initiatives for multiple crops, including watershed management and micro irrigation systems, wherever needed.

## Over 20,000

**No. of rural households which enhanced their incomes through training and capacity building**

**Environmental Sustainability:** Through YES Foundation, the Bank works on enabling SMEs to integrate sustainability into their operations and reduce the overall carbon footprint. The Foundation enabled the Bank to support research to develop and improvise climate-modelling methodology and contribute towards the formulation of an India-centric climate model. In collaboration with the Department of Science & Technology (DST), the Centre of Excellence (CoE) in Climate Modelling at IIT Delhi, which has been established with the support from YES Foundation, a knowledge report titled 'Impact of Climate Change on Indian Economy' has been authored. The paper assesses and substantiates the impact of climate change

within the Indian geography, specifically the changes in temperature and precipitation patterns.

To tap into the transformative potential that drives positive social change, it is vital that diverse groups in larger communities are included and encouraged to participate in the process. This collaborative, all-round approach enables the Bank to forge lasting associations with all its stakeholders, including communities, non-profit organisations, governments, corporate peers and civil society, creating a broad network of relationships that multiplies the impact.

## 100

**No. of SMEs that steered towards energy efficiency in FY 2022-23**

### Central Data Analytics Group (CDAG)

The Bank continues to invest in the analytics function and maintains an ongoing focus in driving value through data-driven decisions. During the year, the Bank's captive analytics group was successful in achieving the below-mentioned targets:

- Building a unified underwriting framework using statistical nodes across all sourcing channels to enable straight-through processing and creating a unique customer experience
- Exploring new areas where ML models can be deployed such as EWS, AML and transaction fraud monitoring
- Partnering with credit information companies to build and deploy scorecards for delinquency/portfolio management
- Delivering analytics as a service wherein offers to both customers/prospects on our digital platform can be served real-time and
- Creating a talent pool of data scientists for scaling up analytics adoption across the Bank

### Business and Digital Technology Solutions (BDTS)

The BDTS team helps accelerate business growth with the most appropriate technology and partners, while keeping the customer experience as a central point of focus. The BDTS team achieves its objectives through the below initiatives:

- **API/microservices-based architecture:** Business scale requires speed and security, and the API/microservices architecture provides the best business/tech model with the right framework for monetising services and penetrating new marketplaces.
- **AI and Machine Learning (ML):** Technology agenda around AI & Robotic Process Automation continue to hover around speeding up processes, improving accuracy and efficiency, and reducing costs. Coupled with Artificial Intelligence (AI), Optical Character Recognition technology, and Machine Learning (ML), the Bank continue to explore more challenging applications for Robotic Process Automation (RPA) within the Bank.
- **Platforms:** As the industry moves towards a more open banking architecture, the Bank is continuously developing more robust and enhanced platforms that contribute to the Bank's customer onboarding journey and open banking outlook.
- **Partner ecosystem:** As the Bank grows, it needs differentiated partners to create the best ecosystem of support; hence, the organisation is deeply connected to creating value-based partnerships with various players that will support diversity and inclusivity to manage its depth of technical knowledge. This will help scale the cloud and adopt low code-no code practices, hyper-automation frameworks and new-age technology support on the doorstep.
- **Data and analytics:** Keeping the data-driven decision-making aspiration in mind, the Bank infuses its business strategy with data and analytics, which helps accelerate its digital plans. The Bank is making a relentless effort to focus on business value by linking all data and analytics initiatives to overall enterprise business strategy and stakeholder objectives.

During FY 2022-23, various new initiatives were completed successfully, while existing systems were upgraded to their latest versions to support the growing needs of the Bank.

Top Bank-wide projects completed during the year include:

- **Digital Onboarding & Service Digitalisation:** The Digital Onboarding and Service Digitalisation project ensures a 24/7 availability of self-servicing channels for customers and non-customers across

the Bank's different lines of businesses. This project saves time and improves customer satisfaction. It will also simplify onboarding of new customers and serve the existing customers on the go.

- **Modernised Super-App:** IRIS by YES BANK, the next-generation mobile banking platform built on a cloud-native stack, leverages synergies available from APIs, Microservices and workflows created for existing digital platforms.
- **Account Aggregator:** The Account Aggregator framework, introduced by the RBI, aims to make financial data more accessible by creating data intermediaries. This important and regulated project was delivered by the Bank within a span of three months.
- **SME Transformation:** This covers the scope of bringing all functionalities from onboarding to prelimit setting in one single system. The project helps build new functionality in the system.
- **Central Bank Digital Currency:** In FY 2022-23, the RBI launched, Central Bank Digital Currency referred to as Digital Rupee, denoted as e₹. The Bank played a pivotal role in the central bank's vision to enable a digitally-powered economy, and has completed the project in a short span of time. Substantial users have been added as part of this initiative.
- **HR Tech Transformation:** The Bank has enhanced the existing Human Capital Management (HCM) system to a renewed, competitive and modern platform. The new platform helps backfill the needs for employee engagement and mobility presenting a full-stack capability from hire to retire and employee engagement needs.
- **Transaction Processing Hub (TPH):** TPH is a flexible solution that empowers the Bank to formulate its payments services. TPH also follows the core banking and consolidates all payment infrastructures into a central processing hub that supports multiple bank branches, in multiple countries, using multiple currencies, and in multiple languages.

**Environmental Impact Projects\*:** The Bank takes utmost care on its carbon footprint and environmental impacts and has undertaken to build all our new data centres with the following concepts in mind: 1) 100% renewable energy, 2) Net Zero Emission across

operations, 3) Captive RE (Wind & Solar) Projects, 4) Sustainable data centre designs with Gas cooling systems, recyclable materials, reused evacuated soil and stones, 5) Water conservation and recycling via using STP, sensor-based taps, and controlled water pressure systems to avoid wastage, 6) Certificate and management ISO 50001 and LEED certified data centre projects.

\* *Net Zero emissions across Operations (by FY30) and Value chain (by FY40) and to set a science-based target (SBTi) aligned to the 1.5-degree pathway (Paris Agreement) and in support of the UN SDGs.*

### **YES Securities (India) Limited (A subsidiary of YES BANK)**

YES Securities (India) Limited (YSIL) is the Bank's wholly-owned subsidiary which has completed ten years of its operations during the year FY 2022-23. It is a full-scale capital markets intermediary that serves retail, HNIs, corporate and institutional customers. It offers a comprehensive range of products and services encompassing broking, fund management, investment banking (including a dedicated sustainable investment banking practice), merchant banking, research and institutional equities sales and trading.

YSIL is registered with the Securities and Exchange Board of India (SEBI) as a stockbroker holding membership of the National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) and the National Commodity & Derivatives Exchange (NCDEX). YSIL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst, a Sponsor and Investment Manager of the Alternative Investment Fund, Category III (YSL Alternates), and a Mutual Fund Distributor.

### **Background & Performance Overview**

In FY 2022-23, YSIL doubled its client base for the second time in succession, and registered over 50% revenue growth in its 10<sup>th</sup> year of operation. During the year, the market faced headwinds on account of geo-political tension, technology sector layoffs and financial sector trouble in US and Europe. This resulted in weakened market sentiments, deferment of deals/IPOs and sharp decline in average trading volumes. In spite of the economic headwinds, YSIL continued to deliver steady growth in terms of diversified revenue, profitability and RoE.

YSIL's three chosen fields of growth are as below:



Concerted efforts were taken towards providing value to its customers and being relevant to the chosen fields of growth. This was possible due to both, (a) the management setting the right direction at the top, and (b) streamlining the smallest processes at the bottom. This helped the company in gaining grounds across client acquisition, product offerings and customer satisfaction.

YSIL's initiatives will not only provide stimulus to the current set of businesses but also prepare it to offer their product and services with enhanced efficiency, speed and scale.

### **Investment Advisory & Wealth Broking**

**Overview:** YSIL's Wealth Broking business continues to offer the best proposition to its customers. It offers a wide range of products, value plans, research services, dedicated and personalised support.

Today's active retail investors are digital native. They have a different investment ethos than their predecessors and expect cutting-edge technologies to support their endeavours. In view of this, the Company has adopted a "Digital First" approach in line with what the Bank stands for. It has enabled customers to effortlessly open a Demat and YSL trading account from their web or mobile devices without any need of physical documentation.

The Company is working on further enhancements in its digital trading platforms which shall provide customers with a best-in-class user experience driven by cutting-edge technology. During the year, the business also made several enhancements to its product strategy to meet the dynamic regulatory environment and to deliver new features and products to its customers.

### **Customer Focus:**

In FY 2022-23, YSIL doubled, second time in succession, its client base by opening ~1.5 lakh new accounts. The Company understands its customers' expectations and offer a customised set of solutions as per their

needs besides other *off-the-shelf* offerings. YSIL also serves varied customer segments through its digital and dealer-based investing experience. A strong research and “customer-first” culture drives product development and engagements, as the company helps its customers in their wealth creation journey. Its diversified range of products cater to all types of investors – market novices, seasoned traders, HNI, family offices and corporates.

#### Revenue Growth:

Income for the Wealth Broking business grew from ₹ 134 crore in the previous year to ₹ 193 crore in the current financial year, implying a growth of 44%.

#### Capability Building for Future:

The Company's strategy for the upcoming years is focussed on leveraging digital transformation to increase its efficiency, speed and scale in terms of: (i) Acquisition, (ii) Activation, and (iii) ARPU. YSIL is set to launch its new web and mobile platforms in the current financial year. Ably supported by an experienced leadership team, robust processes and risk management, the Wealth Broking business is poised to maintain its growth trajectory and achieve new milestones.

#### Institutional Broking

##### Overview:

The Company's Institutional Broking division continues to gain recognition. The team offers incisive research and proficient sales trading capabilities to leading institutional investors, such as Asset Management Companies, Insurance Companies, Portfolio Management Services, Alternate Investment Funds, Banks and Corporate Treasuries. The business is also growing its presence with foreign portfolio investors. The Company's research, corporate access and deep-rooted relationships with institutional investors will help it further expand its institutional equity business.

YSIL's 28-member strong research team brings a combined ~260 years of equity research experience with analysts actively covering 200+ companies, among

**YSIL ADDED 16 NEW INSTITUTIONS AS CLIENTS AND IS CURRENTLY EMPANELLED WITH 91 INSTITUTIONS**

**YSIL'S RESEARCH TEAM HAS 28 MEMBERS WITH ~260 YEARS OF EQUITY RESEARCH EXPERIENCE**

**200+ COMPANIES ARE COVERED BY OUR RESEARCH ANALYSTS, WHICH IS AMONG THE LARGEST COVERAGES IN THE INDUSTRY**

the largest coverages in the industry. The team is highly motivated and well-recognised for its ability to spot high conviction midcap ideas, contra-to-market ideas and its deep corporate relationships. The Company's institutional business is well recognised for hosting numerous events and roadshows, on-ground work and channel checks and governance checks on listed stocks.

Research is backed by a robust sales and execution setup to ensure that client servicing standards remain consistent and that client's execution experience is prompt and precise.

#### Financial Performance:

The revenue from its institutional equity business increased by 80% from ₹ 8.4 crore in FY 2021-22 to ₹ 15.2 crore in FY 2022-23, driven by an increased flow of business, steady market share and traction in marquee deals.

#### Growth Philosophy:

The Company continues to make astute investments towards augmenting its human capital knowledge, leadership position and technical capabilities.

#### Investment Banking

##### Overview:

The Investment Banking team provides advisory-based financial and strategic transaction services to large and mid-cap corporates and financial sponsor clients, with key focus on merger and acquisition advisory and private equity/special situation financing advisory. The Company provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, and sale of business.

YSIL's highly experienced teams offer expertise across a variety of sectors including Food and Agribusiness, Industrials, Healthcare, Renewables, Business Services, Infrastructure, Chemicals, and Pharmaceuticals, Technology, Banking, Financial Services and Insurance (BFSI), Future Mobility, Real Estate and Hospitality.

Based on Niti Aayog's report, an investment of ₹ 19.7 lakh crore is expected in Electric Vehicles (EV) in India in the next 10 years. Of this, nearly ₹ 75,000 crore will be invested in the next 2-3 years by the 75 shortlisted PLI applicants. This investment will be made across the entire EV value chain covering the Auto Component ecosystem, Mobility, Energy Storage and Green Hydrogen.

YSIL is reviewing the Investment Banking business to integrate with YES BANK for achieving better synergies and improving the overall profitability.

### Merchant Banking

#### Overview:

YSIL's Merchant Banking practice has a strong focus on capital market activities offering a comprehensive bouquet of products including initial public offerings, qualified institutions placements, rights issues, open offer, buyback, delisting and other advisory services.

#### Strategy:

The Company is strategically focussing on growing its business by targeting to become a lifecycle banker to clients of YES BANK. The team engaged with leading Indian companies as a trusted advisor to successfully close three capital market transactions aggregating ~₹ 3,400 crore. This includes the below mandates:

- BRLM to IPO of Emudhra
- BRLM to IPO of Radiant Cash Management Services
- Sellers Broker to OFS of Hindustan Aeronautics

#### Growth Philosophy:

The Investment Banking and Merchant Banking businesses of YSIL continue to build upon the Company's market position amongst the leading Merchant Bankers and a leader in advisory services across sectors such as Logistics, Industrials, Infrastructure, Healthcare, and Chemicals Renewables. Going forward, the business aims to further broad-base its advisory and deal-making capabilities across coverage sectors.





## Overview of Financial Performance

### Key Ratios:

Particulars	FY 2022-23	FY 2021-22
Return on average equity ('ROE') (%)	2.0%*	3.2%
Return on average assets (%)	0.2%	0.4%
EPS - Basic (FV ₹ 2)	0.27	0.43
EPS - Diluted (FV ₹ 2)	0.27	0.43
Net interest margin (%)	2.6%	2.3%
Book value per share (FV ₹ 2)	14.17	13.47
Cost to income	73.1%	70.1%
Yield on advances	8.9%	8.1%
Cost of funds	5.5%	5.3%
Capital Adequacy Ratio Basel III		
CET 1	13.3%	11.6%
Tier - I	13.3%	11.6%
Tier - II	4.7%	5.8%
Gross non performing advances (NPA) % to Total Advances	2.2%	13.9%
Net NPA % to Total Advances	0.8%	4.5%
CASA ratio to % of total deposits	30.8%	31.1%

\*For the purpose of determining ROE, the Bank has considered weighted average shareholder funds during the year. Basis simple average of shareholder funds the ROE is 1.9%.

The Bank has CASA ratio of 30.8%. The Bank's shareholder returns for FY 2022-23 in terms of basic and diluted EPS were ₹ 0.27 and ₹ 0.27 respectively. The book value per share was ₹ 14.17.

### Highlights for FY 2022-23:

- Net Profit for the year is ₹ 7,174.09 million
- This has been the second straight year of full year profitability post moratorium on the Bank
- Balance Sheet grew 11.5% Y-O-Y
- CET-I ratio is at 13.3% and CRAR is at 17.9%. NNPA ratio significantly improved at 0.8% pursuant to sale of stressed assets to asset reconstruction company (ARC)

### Operating Performance:

(₹ in million)

Particulars	FY 2022-23	FY 2021-22	% change
Interest income	226,974.30	190,235.11	19.3%
Interest expense	147,798.59	125,256.58	18.0%
<b>Net Interest Income</b>	<b>79,175.72</b>	<b>64,978.54</b>	<b>21.8%</b>
Non interest income	39,266.50	32,624.69	20.4%
<b>Operating Revenue</b>	<b>118,442.22</b>	<b>97,603.23</b>	<b>21.4%</b>
Operating expenses	86,614.58	68,443.94	26.5%
<b>Operating Profit</b>	<b>31,827.64</b>	<b>29,159.29</b>	<b>9.2%</b>
Provisions and contingencies	22,198.46	14,800.81	50.0%
<b>Profit Before Tax</b>	<b>9,629.18</b>	<b>14,358.48</b>	<b>-32.9%</b>
Provision for tax	2,455.10	3,696.36	-33.6%
<b>Net Profit/(Loss)</b>	<b>7,174.09</b>	<b>10,662.12</b>	<b>-32.7%</b>

Net Profit for FY 2022-23 is ₹ 7,174.09 million as compared to profit of ₹ 10,662.12 million for FY 2021-22 lower by 32.7% largely on account of higher provision to step-up Provision Coverage Ratio (PCR) on NPA as well as security receipts.

The Bank's operating profit increased by 9.2% Y-O-Y on the back of NII and higher Non-Interest Income. The Bank has provided ₹ 23,917.92 million towards non-performing investments and non-performing advances during the year which includes provision on certain non-performing assets that contributed to step-up in PCR to 62.3% from 49.4% last quarter.

Net Interest income (NII) of the Bank increased by 21.8% to ₹ 79,175.72 million during FY 2022-23 as compared to ₹ 64,978.54 million during FY 2021-22. The Net Interest Margin (NIM) was 2.6% in FY 2022-23.

Non-interest income consists of fee, trade income and gain on sale of securities. Non-interest income increased by 20.4% from ₹ 32,624.69 million in FY 2021-22 to ₹ 39,266.50 million in FY 2022-23. Higher non-interest income and NII was largely offset by higher operating expenditure.

Operating expenses increased by 26.5% from ₹ 68,443.94 million in FY 2021-22 to ₹ 86,614.58 million in FY 2022-23. The employee cost increased from ₹ 28,556.91 million in FY 2021-22 to ₹ 33,627.00 million in FY 2022-23. Other operating cost increased by 32.8% from ₹ 39,887.03 million in FY 2021-22 to ₹ 52,988 million in FY 2022-23.

Provisions and contingencies (excluding provision for taxes) increased by 50.0% from ₹ 14,800.81 million in FY 2021-22 to ₹ 22,198.46 million in FY 2022-23.

#### Net interest income:

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

(₹ in million)

Particulars	FY 2022-23	FY 2021-22	% change
Interest income	226,974.30	190,235.11	19.3%
Interest expense	147,798.59	125,256.58	18.0%
Net interest income	79,175.72	64,978.54	21.8%
Net interest margin	2.6%	2.3%	

Net Interest Income (NII) of the Bank increased by ₹ 14,197.18 million to ₹ 79,175.72 million during FY 2022-23 as compared to ₹ 64,978.54 million during FY 2021-22.

#### Non-Interest income:

(₹ in million)

Particulars	FY 2022-23	FY 2021-22	% change
Commission, exchange and brokerage	20,913.06	16,380.44	27.7%
Profit on sale of investments (net)	344.21	2,594.60	-86.7%
Profit/(Loss) on the revaluation of investments (net)	(34.83)	307.30	-111.3%
Profit/(Loss) on sale of land, building and other assets	69.55	125.88	155.2%
Profit on exchange transactions (net)	7,446.19	6,008.16	23.9%
Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-	0.0%
Miscellaneous income	10,528.33	7,460.08	41.1%
<b>Total</b>	<b>39,266.50</b>	<b>32,624.69</b>	<b>20.4%</b>

Non-interest income consists of commission and fee income, trade income, derivative and foreign exchange income, gain/loss on sale of securities and other income. Non-interest income of the Bank increased by 20.4% to ₹ 39,266.50 million during FY 2022-23 as compared to ₹ 32,624.69 million during FY 2021-22 on the back of strong fee growth through cross-sell and transaction banking.

### Operating expenses:

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

(₹ in million)			
Particulars	FY 2022-23	FY 2021-22	% change
Payments to and provisions for employees (A)	33,627.00	28,556.91	17.8%
Other operating expense (B)	52,987.57	39,887.03	32.8%
- Depreciation on own property (including non-banking assets)	4,290.58	3,983.62	7.7%
- Other administrative expenses	48,696.99	35,903.41	35.6%
<b>Operating expenses (A)+(B)</b>	<b>86,614.58</b>	<b>68,443.94</b>	<b>26.5%</b>
<b>Cost to income ratio</b>	<b>73.1%</b>	<b>70.1%</b>	<b>4.3%</b>

Non-interest expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Operating expenses increased by 26.5% from ₹ 68,444 million in FY 2021-22 to ₹ 86,615 million in FY 2022-23.

Employee costs increased by 17.8% from ₹ 28,557 million in FY 2021-22 to ₹ 33,627 million in FY 2022-23. The number of employees have increased from 24,346 at March 31, 2022 to 27,517 at March 31, 2023. Employee costs accounted for 38.8% of operating expenses of the Bank for FY 2022-23 compared to 41.7% for FY 2021-22.

Other administrative expenses increased by 35.6% to ₹ 48,697 million in FY 2022-23 driven by business volumes, higher IT spends due to escalated annual maintenance charges and support resources. Number of branches also increased to 1,192 as at March 31, 2023 from 1,122 as at March 31, 2022.

### Provisions and contingencies (including provision for tax):

Provisions and contingencies increased by 33.3% from ₹ 18,497.17 million to ₹ 24,653.55 million primarily led by accelerated provision to step-up PCR.

The key components of provisions are provisions for NPAs of ₹ (169.46) million [FY 2021-22: ₹ 7,185.19 million], provision for taxation of ₹ 2,455.10 million [FY 2021-22: ₹ 3,696.36 million], and provision for standard assets ₹ (1,496.20) million [FY 2021-22: ₹ (251.53) million] and provision on investments of ₹ 24,087.38 million [FY 2021-22: ₹ 7,903.78 million].

During the year for stressed loans transferred to ARC where the consideration received was higher than that net book value at the time of transfer and the cash recovery is lower than the net book value, such excess amounts were not reversed in the Profit and Loss Account in accordance with RBI guidelines. Further, as of reporting date, the security receipts have being assessed for the provisioning as per the extant RBI guidelines and taking into account the principle that there should be no provisioning arbitrage between the provisioning on security receipts vis-à-vis the provisioning requirements on the underlying exposure, had it stayed in the books.

**Financial Condition:****Assets:**

(₹ in million)

Particulars	FY 2022-23	FY 2021-22	% change
Assets			
<b>Cash and balances with Reserve Bank of India</b>	<b>128,640.85</b>	<b>434,522.67</b>	<b>-70.4%</b>
<b>Balances with banks and money at call and short notice</b>	<b>64,103.52</b>	<b>31,873.23</b>	<b>101.1%</b>
<b>Investments</b>	<b>768,882.97</b>	<b>518,955.56</b>	<b>48.2%</b>
SLR investments*	651,582.02	437,084.56	49.1%
Non SLR investments	117,300.96	81,871.00	43.3%
<b>Advances<sup>§</sup></b>	<b>2,032,694.44</b>	<b>1,810,519.91</b>	<b>12.3%</b>
In India	1,733,086.38	1,733,086.38	0.0%
Outside India	77,433.53	77,433.53	0.0%
<b>Fixed assets</b>	<b>24,447.72</b>	<b>21,331.27</b>	<b>14.6%</b>
<b>Other assets</b>	<b>529,091.80</b>	<b>364,999.62</b>	<b>45.0%</b>
<b>Total</b>	<b>3,547,861.31</b>	<b>3,182,202.25</b>	<b>11.5%</b>

\*Includes investment in government securities, banks in India are required to maintain a specified percentage, 18.00% as at March 31, 2023, of their net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities.

§Includes ₹ 30,689.28 million of interbank reverse repo classified as advances as per RBI Master Circular No. DOR.ACC.REC. NO.37/21.04.018/2022-23.

Total assets of the Bank increased by 11.5% from ₹ 3,182,202.25 million as at March 31, 2022 to ₹ 3,547,861.31 million as at March 31, 2023, primarily due to increase in advances and investments.

**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 balances with Reserve Bank of India decreased from ₹ 434,522.67 million at March 31, 2022 to ₹ 128,640.85 million at March 31, 2023.

**Investments**

Total investments increased by 48.2% from ₹ 518,955.56 million at March 31, 2022 to ₹ 768,882.97 million at March 31, 2023.

SLR investments increased by 49.1% from ₹ 437,084.56 million in FY 2021-22 to ₹ 651,582.02 million in FY 2022-23. Non SLR investments increased by 43.3% from ₹ 81,871.00 million in FY 2021-22 to ₹ 117,300.96 million in FY 2022-23.

**Advances**

During FY 2022-23, the Bank recorded addition of 12.3% in its loan book with advances increasing to ₹ 2,032,694.44 million. Normalised for sale to asset reconstruction company and reverse repo, the advances growth was at 13.2% Y-O-Y.

Corporate banking advances reduced to 25.4% Y-O-Y. Retail advances increased 38.6% Y-O-Y.

Net advances of IFSC Banking Unit (IBU) in GIFT City decreased from ₹ 77,434.53 million at March 31, 2022 to ₹ 65,686.93 million at March 31, 2023.

### Fixed assets and other assets

Net fixed assets is ₹ 24,472.72 million as at March 31, 2023. Increase during the Q4FY23 in net block of fixed assets was ₹ 1,870.94 million mainly driven by addition of ₹ 1,394.69 million in capital work-in-progress, computer software (₹ 279.11 million).

### Financial Condition:

#### Liabilities

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022	% change
<b>Liabilities</b>			
<b>Capital</b>	<b>57,509.55</b>	<b>50,109.91</b>	<b>14.8%</b>
<b>Share Warrants Subscription Money</b>	<b>9,483.92</b>	<b>-</b>	<b>NA</b>
<b>Reserves and Surplus</b>	<b>340,431.13</b>	<b>287,308.87</b>	<b>18.5%</b>
<b>Deposits</b>	<b>2,175,018.62</b>	<b>1,971,917.33</b>	<b>10.3%</b>
Current deposit accounts	336,028.81	263,891.16	27.3%
Savings account	332,999.17	349,704.73	-4.8%
<b>CASA</b>	<b>669,027.98</b>	<b>613,595.88</b>	<b>9.0%</b>
Term Deposit	1,505,990.64	1,358,321.45	10.9%
<b>Borrowings</b>	<b>774,519.92</b>	<b>722,045.84</b>	<b>7.3%</b>
Borrowings in India	671,549.94	614,830.87	9.2%
Borrowings outside India	102,969.98	107,214.97	-4.0%
<b>Other Liabilities and Provisions</b>	<b>190,898.17</b>	<b>150,820.31</b>	<b>26.6%</b>
<b>Total</b>	<b>3,547,861.31</b>	<b>3,182,202.25</b>	<b>11.5%</b>

### Equity Capital and Reserves and Surplus

On December 13, 2022, the Bank issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis. During FY 2022-23, the Bank has also issued 3,666,651 equity shares of face value of ₹ 2 each pursuant to the exercise of stock options by employees under the approved stock option schemes.

### Movement in Share Capital and Share Warrant

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Share Capital	50,109.91	50,109.81
Addition due to exercise of share option	7.33	0.09
Addition due to shares issued on preferential basis	7,392.31	-
Addition due to shares warrants issued	9,483.92	-
<b>Closing Share Capital and Share Warrant</b>	<b>66,993.47</b>	<b>50,109.91</b>

### Deposits

Deposits increased by 10.3% from ₹ 1,971,917.33 million as at March 31, 2022 to ₹ 2,175,018.62 million as at March 31, 2023. Term deposits increased by 10.9% from ₹ 1,358,321.45 million as at March 31, 2022 to ₹ 1,505,990.64 million as at March 31, 2023, savings account deposits decreased by 4.8% from ₹ 349,704.73 million as at March 31, 2022 to ₹ 332,999.17 million as at March 31, 2023 and current account deposits increased by 27.3% from ₹ 263,891.16 million as at March 31, 2022 to ₹ 336,028.81 million as at March 31, 2023. The current and savings account deposits increased from ₹ 613,595.88 million as at March 31, 2022 to ₹ 669,027.98 million as at March 31, 2023. Total deposits as at March 31, 2022 constituted 73.74% of the funding (i.e., deposits and borrowings). The Bank's CD ratio stood at 92.0% as at March 31, 2023.

### Borrowings

Borrowings increased by 7.3% from ₹ 722,045.84 million as at March 31, 2022 to ₹ 774,519.92 million as at March 31, 2023.

### Other liabilities

Other liabilities increased by 26.6% from ₹ 150,820.31 million as at March 31, 2022 to ₹ 190,898.17 million as at March 31, 2023.

### Regulatory capital

In line with the RBI circular on Basel III Capital Regulations, currently for computing capital requirement, YES BANK has adopted the standardised approach for credit risk, standardised 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	As at March 31, 2023	As at March 31, 2022
<b>Total capital ratio (CAR) out of the above</b>	<b>17.9%</b>	<b>17.4%</b>
- CET1	13.3%	11.6%
- Tier I Capital	13.3%	11.6%

### Subsidiary Performance

During FY 2022-23, YSIL reported a net profit of ₹ 184.10 million. Total revenue from operations of YSIL increased by 38.15% from ₹ 1,574.90 million in FY 2021-22 to ₹ 2,186.60 million in FY 2022-23.

As at March 31, 2023, the total capital infused and outstanding is ₹ 1,490.0 million in YSIL.

### Update on Ind AS implementation

The Indian Accounting Standards ('Ind AS'), as notified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, have been formulated keeping the Indian economic and legal environment in view and with a view to converge with IFRS Standards. The RBI through its Notification No. RBI/2018-2019/146 DBR.BP.BC. No.29/21.07.001/ 2018-19 dated March 22, 2019 on "Deferral of Implementation of Indian Accounting Standards (Ind AS)" notified to all the scheduled commercial banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI has decided to defer the implementation of Ind AS till further notice.

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

- The Bank is submitting half yearly Proforma Ind AS financial statements to the RBI
- Formed Steering Committee for Ind AS implementation ('the Ind AS Steering Committee'). The Ind AS Steering Committee comprises Group 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 Ind AS Steering Committee oversees the progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Ind AS Steering Committee closely reviews progress of the implementation
- The Ind AS Steering Committee gives updates to the Audit Committee of the Board and to the Board on preparedness for migration to Ind AS on a periodic basis
- The Bank will continue to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation

# Directors' Report

## TO, THE MEMBERS,

Your Directors are pleased to present the Nineteenth Annual Report on the business and operations of the Bank together with the audited financial statements (standalone as well as consolidated) for the financial year ended March 31, 2023.

## BUSINESS OVERVIEW

FY 2022-23 was the third year of the new journey of YES BANK under the new management, post the YES BANK Limited Reconstruction Scheme, 2020 ("Scheme") which was implemented in March 2020. Whilst, in the first year, the focus was on rebuilding the Bank, in the second year, we swiftly shifted our focus on growing the Bank, in the third year, we achieved critical milestones of equity capital raise from two global marquee Private Equity investors, transfer of legacy stressed asset pool to ARC- which was by far the single largest transaction of sale of non-performing assets in the Indian Banking System, and continued to build on a strong momentum on both our asset and liability with focus on granularity and in risk calibrated manner. The Directors are pleased to inform the shareholders that the Bank's Total Assets in FY 2022-23 crossed ₹ 3.55 lakh crore, with deposits crossed ₹ 2.18 lakh crore and CASA ratio at ~30.8%.

The Bank has further progressed on its transformation journey and has emerged as a re-energised, recapitalised and recalibrated organisation, by leveraging on a unique opportunity to learn from past challenges and become stronger, while continuing to fulfill its unwavering commitment towards its customers and stakeholders. The Bank is on track to achieve its longer-term Strategic Objectives and none of this would have been possible without the confidence reposed of the Bank's customers, depositors and investors. The confidence of stakeholders has not only been seen through the improving financial performance of the Bank during the last year, but also through external validation in the form of Credit Rating upgrades, successful client win-backs and acquisition strategy, re-inclusion of the stock in marquee indices amongst others.

The Bank undertook multiple initiatives to grow the Bank's business and launched innovative and tailored propositions for its customers. The Bank launched a first of its kind floating rate Fixed Deposit linked to RBI repo rate – an Intelligent Fixed Deposit with Dynamic Returns. In addition, the Bank was a preferred partner of choice for the Government/RBI in multiple new breakthrough initiatives such as Unified Logistics Interface Platform

("ULIP"), Digital Banking Units and Digital Rupee (₹) – the Central Bank Digital Currency ("CBDC"). The Bank issued first e-BG in partnership with National E-Governance Services Limited. YES BANK also became the first bank in Asia Pacific to bring forth a debit card in Mastercard's premium Elite Platform. The Bank also launched industry first Build Your Own Card which allows customer to fully customise a credit card.

The Bank was certified as **Great Place To Work® Certified™** which is a reflection of Bank's high-trust and high performance culture.

Key highlights of the transformation Journey over the course of FY 2022-23 included:

- Completed assignment of identified pool of stressed assets to the J.C. Flowers ARC amounting to nearly ₹ 48,000 crore. This is single largest transaction of sale of non-performing assets in Indian Banking System.
- Capital raise of ₹ 8,887 crore from two marquee private equity investors viz. CA Basque Investments (affiliates of The Carlyle Group) & Verventa Holdings Limited (affiliates of Advent International), the second largest private capital raise transaction to take place in the Indian Banking Sector over the last two decades.
- The Bank also received multiple ESG certifications and scoring highest amongst the bank on S&P Global, CDP rating and Moody's ratings.

The Bank continued its efforts towards building a stronger retail franchise with contribution of retail advances compared to total advances, increased to ~45% in FY 2022-23 compared to 36% in FY 2021-22. Digitisation remains the Bank's key pillar to grow the Retail, SME and the Transaction Banking businesses. The Bank has seen new sanctions/disbursements of ~₹ 1,00,000 crore in FY 2022-23 with Retail Assets disbursements of ~₹ 50,000 crore. The Bank has significant presence within the new-age payments space with the highest market share of ~38% in UPI transactions (by volume) in FY 2022-23.

## STATE OF THE AFFAIRS OF THE BANK

The Bank's fundamentals have strengthened and it has emerged from the crisis as a financially sound, well capitalised, well governed institution, with customer centricity and digital at the heart of its strategy. The Bank remains focused on its priorities and looks to continue this momentum onwards and upwards so that it can deliver on its strategic objectives while creating superior value for all its stakeholders.

## BUSINESS OUTLOOK

The overall bank credit trajectory is expected to remain healthy on account of continued capex investments, expansion of public digital infrastructure, several path breaking growth impetus initiatives such as PM GatiShakti, National Logistics Policy and the Production Linked Incentives ("PLI") scheme announced for 13 key sectors by the government.

Improved resilience of the banking system is likely to support stronger credit growth to SME's and retail segments. Home Loans will be a major driver of credit growth as demand for residential purchases is expected to continue growing. Unsecured Lending is also expected to see improvement as the segment will continue to be attractive on a risk-adjusted return basis.

Overall, the Indian Banking Sector is well positioned to fund faster credit growth, with healthy capital buffers, high profitability metrics, and waning asset quality pressures. These factors together with a strong deposits growth augur well for the Banking sector.

While, the above-mentioned are positive for the sector, there are also certain risks that could impact the sector, such as continued geopolitical tensions that could impact interest rates as well as many downstream sectors (some of which are already under pressure because of increased commodity prices); and higher-than-expected slowdown in private consumption. Credit growth may also be partially impacted by movement in real cost of credit in the international markets, overall inflation trajectory and consumption behaviour.

## CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Bank.

## FINANCIAL PERFORMANCE (STANDALONE)

(₹ in million)

	April 01, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022	Change
Deposits	2,175,018.62	1,971,917.33	203,101.29
Borrowings	774,519.92	722,045.84	52,474.09
Advances	2,032,694.44	1,810,519.91	222,174.53
Total Assets/Liabilities	3,547,861.31	3,182,202.25	365,659.06
Net Interest Income	79,175.72	64,978.54	14,197.18
Non Interest Income	39,266.50	32,624.69	6,641.81
Operating profit	31,827.64	29,159.29	2,668.35
Provisions and Contingencies	22,198.46	14,800.81	7,397.65
<b>Profit before Tax</b>	<b>9,629.18</b>	<b>14,358.48</b>	<b>(4,729.30)</b>
Provision for taxes	2,455.10	3,696.36	(1,241.26)
<b>Net Profit/(Loss)</b>	<b>7,174.09</b>	<b>10,662.12</b>	<b>(3,488.04)</b>
Add: Surplus/(Deficit) brought forward from last period	(106,965.66)	(108,719.60)	1,753.94
Amount available for appropriation	(99,791.58)	(98,057.48)	(1,734.10)
<b>Appropriations</b>			
Statutory Reserve under section 17 of the Banking Regulation Act, 1949	1,793.52	2,665.53	(872.01)
Capital Reserve	31.67	108.31	(76.64)
Investment Reserve	16.79	34.30	(17.51)
Investment Fluctuation Reserve	2,358.76	1,347.89	1,010.88
Surplus carried to Balance Sheet	(103,992.32)	(102,213.50)	(1,778.81)
<b>Key Performance Indicators</b>			
Net Interest Margin	2.60%	2.30%	
Return on Annual Average Assets	0.21%	0.36%	
Return on Equity	2%*	3.19%	
Cost to Income Ratio	73.10%	70.10%	

\*For the purpose of determining ROE, the Bank has considered weighted average shareholder funds during the year. Basis simple average of shareholder funds the ROE is 1.9%.

Net Profit for FY 2022-23 is ₹ 7,174.09 million as compared to profit of ₹ 10,662.12 million for the FY 2021-22 lower by 32.7% largely on account of higher provision to step-up Provision Coverage Ratio ("PCR") on NPA as well as security receipts.



Net Interest Income ("NII") of the Bank increased by 21.8% to ₹ 79,175.72 million during FY 2022-23 as compared to ₹ 64,978.54 million during FY 2021-22. The Net Interest Margin ("NIM") was 2.6% in FY 2022-23. Non-interest income consists of fee, trade income and gain on sale of securities. Non-interest income increased by 20.4% from ₹ 32,624.69 million in FY 2021-22 to ₹ 39,266.50 million in FY 2022-23. Higher non-interest income and NII was largely offset by higher operating expenditure.

Operating expenses increased by 26.5% from ₹ 68,443.94 million in FY 2021-22 to ₹ 86,614.58 million in FY 2022-23. The employee cost increased from ₹ 28,556.91 million in FY 2021-22 to ₹ 33,627.00 in FY 2022-23. Other operating cost increased by 32.8% from ₹ 39,887.03 million in FY 2021-22 to ₹ 52,988 million in FY 2022-23.

Provisions and contingencies (excluding provision for taxes) increased by 50.0% from ₹ 14,800.81 million in FY 2021-22 to ₹ 22,198.46 million in FY 2022-23.

## DIVIDEND

During FY 2022-23, the Bank has not declared any dividend on equity shares.

## TRANSFER TO RESERVES

As per requirement of RBI regulations, the Bank has transferred the following amounts to various reserves during Financial Year ended March 31, 2023:

Amount transferred to	₹ in million
Statutory Reserve	1,793.52
Capital Reserve	31.67
Investment Reserve	16.79
Investment Fluctuation Reserve	2,358.76

## TRANSFER OF EQUITY SHARES, UNPAID/ UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

Further, the provisions of section 124(6) of the Companies Act 2013, read with the IEPF Rules mandates companies to transfer all shares in respect of which dividend has

not been paid or claimed for seven consecutive years or more to the designated demat account of the IEPF Authority. The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/ dividend from the IEPF Authority following the procedure prescribed in the Rules.

In accordance with the said IEPF Rules, the Bank had sent notices to all the concerned shareholders whose shares were due for transfer to the IEPF Authority advising them to claim their unclaimed dividend and simultaneously, published newspaper advertisement in this regard.

The details of dividend transferred to IEPF during the year are as under:

Financial Year	Dividend declared on	Amount transferred to IEPF (in ₹)	Date of transfer to IEPF
2014-15	June 06, 2015	18,29,394.00	July 18, 2022

## SHARES TRANSFERRED/CREDITED TO IEPF:

During the Financial Year 2022-23, the Bank transferred 31,736 Equity Shares to IEPF Authority corresponding to unclaimed dividend for the year 2014-15. The IEPF Authority holds 2,23,395 Equity Shares in the Bank as at 31<sup>st</sup> March, 2023.

Members who have not yet claimed their dividends for the Financial years 2015-16 and/or subsequent years till Financial year 2018-19 are requested to submit their claims to KFin Technologies Limited without any delay. The details of Nodal Officer appointed under the provisions of IEPF are available on the website of the Bank.

## CAPITAL RAISING & CAPITAL ADEQUACY RATIO ("CAR")

On December 13, 2022, the Bank issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis. During the year ended March 31, 2023, the Bank has issued 3,666,651 equity shares (Previous year: 47,000 equity shares) of face value of ₹ 2 each pursuant to the exercise of stock options by employees under the approved stock option schemes.

The Bank has not issued any equity shares with differential voting rights during the year.

Post allotment of aforesaid equity shares, the issued, subscribed and paid up share capital of the Bank stands at ₹ 57,509,550,668 comprising of 28,754,775,334 equity shares of ₹ 2 each as at March 31, 2023.

## MOVEMENT IN SHARE CAPITAL & CAPITAL ADEQUACY RATIO ("CAR")

	₹ in million	
	As at March 31, 2023	As at March 31, 2022
Opening Share Capital	50,109.91	50,109.81
Addition due to exercise of share option	7.33	0.09
Addition due to shares issued on preferential basis	7,392.31	-
Addition due to shares warrants issued	9,483.92	-
<b>Closing share capital and Share warrant</b>	<b>66,993.47</b>	<b>50,109.91</b>

CET-I ratio is at 13.3% and CRAR is at 17.9%. NNPA ratio significantly improved at 0.8% pursuant to sale of stressed assets to Asset Reconstruction Company ("ARC").

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented in a separate section forming part of the Annual Report.

## RISK MANAGEMENT FRAMEWORK

The Bank's Enterprise Risk Management framework encompasses the following:

**Risk Governance Framework:** The Bank has implemented an Enterprise Risk Governance framework to ensure non-silo based management and oversight of Risk. The Bank's Risk Management philosophy is guided by the Three Lines of Defence:

- **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, Credit Underwriting, 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 team reporting into the Chief Risk Officer 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. Risk Management comprises units such as Enterprise Risk, Market Risk, Operational Risk, Legal Risk, Information Security, Portfolio Analytics, Retail, SME & Rural Policy, Risk Secretarial Unit, etc which are responsible for independent review, monitoring and reporting of all risk control parameters and taking appropriate corrective actions where necessary. These units also ensure compliance to internal policies and regulatory guidelines.
- **Credit Underwriting:** The Credit Risk team reporting into the Chief Credit Risk Officer ensures an independent assessment of credit proposals and is responsible for monitoring the credit quality of the Bank's portfolio and undertaking portfolio reviews. The Credit Risk team is a specialised function that is well staffed with individuals having the necessary experience as well as skillsets to provide a balanced view of credit proposals to the sanctioning authorities.
- **Compliance:** The Compliance unit is responsible for tracking implementation of all regulatory circulars/communication, review of new products & processes from regulatory perspective, conducting compliance reviews to ensure adherence to regulatory guidelines and monitoring progress in rectification of significant deficiencies (if any) pointed out by regulators in inspection reports as well as implementation of recommendations made therein. This ensures that the overall Compliance Risk of the Bank is managed and mitigated.
- **FCU & AML:** The Fraud Containment Unit ("FCU") is responsible for prevention and detection of internal and external frauds in the areas of Liabilities, Product and Support functions. The unit conducts transaction monitoring, forensic scrutiny, employee awareness trainings and vulnerability assessments to help achieve the said objective. The Anti Money Laundering Unit ("AML") is responsible for identifying and reporting of

suspicious transactions and other regulatory reports such as Cash Transaction Report, Cross Border Wire Transfer Report, Not for Profit Organisation Transaction report etc. 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** – The Bank's Internal Audit Department 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 Department provides independent assurance to the Audit Committee of the Board, top management and regulators regarding the effectiveness of the Bank's governance and controls framework designed for risk mitigation.

The Board of Directors of the Bank has overall responsibility for Risk Management. The Board oversees the Bank's Risk and related control environment, reviews and approves the policies designed as part of overseeing the Risk Management practices. The Board ensures that comprehensive policies, systems and controls are in place to identify, monitor and manage material risks at a Bank-wide level, with clearly defined risk limits. The Board has laid down Risk Appetite Statement 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, Credit Policy, Asset Liability Management Policy, Operational Risk Management Policy, Information Security Policy, Enterprise Risk Management Policy, Group Risk Management Policy, Model Risk & Governance Policy, Risk Based Pricing Policy, Stress Testing Policy, etc. which establish the Risk Appetite Framework within the overall Risk Appetite Statement.

The Board has put in place four Board level Committees which inter-alia pertain to Risk Management, viz. Risk Management Committee ("RMC"), Audit Committee ("AC"), Fraud, Willful Defaulters and Non Co-operative Borrowers Monitoring Committee (FWD & NCBMC) 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. Apex Management Committee
2. Enterprise Risk, Reputation Risk and Model Assessment Committee
3. Management Credit Committee
4. Executive Credit Committee
5. Asset & Liability Management Committee
6. Operational Risk Management Committee
7. Standing Committee on Customer Service
8. Fraud & Suspicious Transaction Monitoring Committee
9. Committee for Classification of Wilful Defaulters & Non-Cooperative Borrowers
10. Accountability Review Committee
11. Whistle Blower Committee
12. Disciplinary Committee
13. Internal Committee under POSH - The Bank's Internal Committee is constituted in lines with "The Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013" to investigate and redress the complaints of sexual harassment
14. Steering Committee for IFRS (IndAS)
15. Product Process Approval Committee
16. IT Steering Committee
17. Security Council
18. Stressed Asset Monitoring Committee
19. Sustainability Council
20. Fraud Identification Committee
21. Governing Body for IBU (IFSC Banking Unit)

These Committees review various aspects / key risks and ensure that the best-in-class frameworks are in place to oversee day-to-day management of underlying business activities, transactions and associated risks while dealing with internal and external stakeholders. Further, 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 periodic trends highlighted along with level and direction of risk. The Bank also conducts a detailed Internal Capital Adequacy Assessment Policy

("ICAAP") review exercise at least on an annual basis to identify its Risk universe, review its Risk appetite in line with its business strategy as well as assess its internal controls and mitigation measures in place for the risks and capital requirements. The ICAAP document is approved by the RMC and the Board.

Additionally, in line with best Risk Governance practices, the Bank has segregated credit underwriting and risk management verticals. The underwriting vertical consisting of Credit Units is headed by the Chief Credit Risk Officer ("CCRO") and the risk controls and policy vertical consisting of various independent control units is headed by the Chief Risk Officer ("CRO"). The CRO reports to the Risk Management Committee while the CCRO reports to the Managing Director & Chief Executive Officer, also accountable to Board Credit Committee.

## 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 RECOGNITION

During the year under review, the Bank was recognised in various ways/by various institutes.

Some of the key awards won by the Bank are listed below:

1. Best Payments Initiative award at the Economic Times BFSI Excellence Awards
2. Best AI & ML Bank and Best Technology Bank at IBA's 18<sup>th</sup> Annual Banking Technology Conference and Awards: 2021-22
3. Excellence in HR Business Partnership Function at the Economic Times Human Capital Awards
4. Best Technology Implementation at the Digital Banker Digital CX Awards
5. Great Place To Work certification by the Great Place to Work® (GPTW) Institute, India
6. India In-House Team of the Year at the Asian Legal Business India Law Awards 2023

## DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAs

Based on the condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2022.

## SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2023, the Bank had one wholly-owned subsidiary, i.e. YES Securities (India) Limited ("YSIL").

The Bank does not have any material subsidiary, associate and joint venture company. There were no entities which became or ceased to be the Bank's Subsidiaries, associates or joint ventures during the year.

Performance and Financial Position of YSIL is given in Management Discussion & Analysis which forms part of this Annual Report.

The brief details about business of the subsidiary company is as under:

### YES Securities (India) Limited

YES Securities (India) Limited ("YSIL") is a Wholly Owned Subsidiary of the Bank that completed tenth year of its operation in the FY 2022-23. YSIL is a full scale capital market intermediary that offers retail, HNI, corporate and institutional customers a comprehensive range of products and services encompassing Broking, Investment Banking, Merchant Banking, Research and Institutional Equities sales and trading.

YSIL is registered with the Securities and Exchange Board of India ("SEBI") as a stock broker holding membership of the National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE"), Multi Commodity Exchange of India ("MCX") & National Commodity & Derivatives Exchange Limited ("NCDEX").

YSIL is also registered with SEBI as Category I Merchant Banker, Investment Adviser, Research Analyst as well as registered as Depository Participant with Central Depository Services Limited ("CDSL") and National Securities Depository Limited ("NSDL"). YSIL is Sponsor & Investment manager of YSL Alternates Alpha plus Fund which is a SEBI registered Category III Alternative Investment Fund. YSIL is also registered with Association of Mutual Funds of India ("AMFI").

The Consolidated Financial Statements of the Bank and its Subsidiary company for the Financial Year ended March 31, 2023 prepared in accordance with the requirement of Section 129(3) of the Companies Act, 2013 shall be laid before the ensuing AGM and it forms part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of Financial Statements of subsidiary company of the Bank in Form AOC-1 forms part of the Annual Report. The Financial Statements of the subsidiary company of the Bank are made available on the website of the Bank at weblink <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>; Financials of Bank and its subsidiary shall also be available for inspection by members or trustees of the holders of any Debentures/Bonds of the Bank at its Registered office.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Bank has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. The Bank also ensures that internal controls are operating effectively. There is utmost attention accorded to Internal Financial Controls at both, the highest levels at Management as well as the Audit Committee of the Board. There is no material weakness in the Bank's framework with respect to Internal Financial Controls over Financial Reporting and the Bank shall continue to review its overall control framework on an ongoing basis to ensure robustness and effectiveness of its controls.

### **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, 2023 and the date of the Directors' Report i.e. May 12, 2023.

### **ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19**

While India is emerging from COVID-19 pandemic, the extent to which any new wave of COVID-19 will impact the Bank's results will depend on ongoing as well as future developments, inter-alia including, the impacts of actions of governments and other authorities to contain its spread or mitigate its impact.

### **RATINGS OF VARIOUS DEBT INSTRUMENTS**

The Credit Rating and change/revision in the Credit Ratings for various debt instruments issued by the Bank from time to time are provided in the Corporate Governance Report forming part of the Annual Report.

### **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**

During the year, the Bank has entered into transactions with the related parties in the ordinary course of business. The Bank has not entered into any materially significant transactions with the related parties including Directors, Key Managerial Personnel, Subsidiaries or Relatives of the Directors, which could lead to a potential conflict of interest between the Bank and these parties. The details of the transactions with related parties, 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. Hence, there are no Related Party Transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements. The Bank has submitted with the Stock Exchanges and also published on the Bank's website, disclosure on Related Party Transactions, drawn in accordance with applicable accounting standards as per the requirements of Regulation 23(9) of Listing Regulations for the half year ended September 30, 2022 and March 31, 2023 respectively. Further, Omnibus approval for transactions is obtained from the Audit Committee for the related party transactions which are repetitive in nature as well as for the normal banking transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee for their approval.

The Board of Directors have 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/pdf?name=policies\\_pdf6.pdf](https://www.yesbank.in/pdf?name=policies_pdf6.pdf).

## DIRECTORS & KEY MANAGERIAL PERSONNEL

During the Financial Year 2022-23, the following changes took place in the composition of the Board of Directors:

### CESSATIONS:

#### Mr. Ravindra Pandey

Mr Ravindra Pandey, Nominee Director (Non-Executive) of State Bank of India on the Board of the Bank ("SBI"), appointed pursuant to YES BANK Limited Reconstruction Scheme March 2020 ("Reconstruction Scheme") resigned from the directorship of the Bank, effective from July 1, 2022 consequent to his superannuation from SBI.

#### Erstwhile Board

The following Directors appointed pursuant to the YES BANK Limited Reconstruction Scheme, 2020 ("Reconstruction Scheme") demitted their office from the Board of the Bank, on formation of alternate Board, w.e.f. July 15, 2022:

- a. Mr. Sunil Mehta, Chairman & Non-Executive Director
- b. Mr. Mahesh Krishnamurti, Non-Executive Director
- c. Mr. Atul Bheda, Non-Executive Director
- d. Mr. Vadalur Subramanian Radhakrishnan, Nominee Director (Non-Executive) of State Bank of India ("SBI")
- e. Mr. Atul Malik, Non-Executive Director (Re-appointed as part of the alternate Board with effect from July 15, 2022)
- f. Ms. Rekha Murthy, Non-Executive Director (Re-appointed as part of the alternate Board with effect from July 15, 2022)
- g. Mr. Sharad Sharma, Non-Executive Director (Re-appointed as part of the alternate Board with effect from July 15, 2022)
- h. Mr. Prashant Kumar, Managing Director & Chief Executive Director (Re-appointed as part of the alternate Board with effect from July 15, 2022)

#### Additional Directors appointed by Reserve Bank of India

Mr. Ananth Narayan Gopalakrishnan and Mr. Rama Subramaniam Gandhi, additional directors appointed by Reserve Bank of India ("RBI"), continued on the Board till they ceased to be on the Board of the Bank, w.e.f. July 20, 2022, pursuant to the RBI order dated July 20, 2022.

## APPOINTMENTS:

### Formation of alternate Board:

The following Directors were appointed as a part of the alternate Board of the Bank, w.e.f. July 15, 2022, by the Shareholders at the 18<sup>th</sup> Annual General Meeting:

- a. Mr. Atul Malik, Independent Director
- b. Ms. Rekha Murthy, Independent Director
- c. Mr. Sharad Sharma, Independent Director
- d. Ms. Nandita Gurjar, Independent Director
- e. Mr. Sanjay Kumar Khemani, Independent Director
- f. Mr. Sadashiv Srinivas Rao, Independent Director
- g. Mr. Thekepat Keshav Kumar, Non-Executive Non-Independent Director
- h. Mr. Sandeep Tewari, Non-Executive Non-Independent Director
- i. Mr. Prashant Kumar, Director

Mr. Ananth Narayan Gopalakrishnan and Mr. Rama Subramaniam Gandhi, additional directors appointed by RBI, continued to be Directors on the alternate Board of the Bank, as on the date of 18<sup>th</sup> Annual General Meeting of the Bank, i.e. July 15, 2022. They ceased to be on the Board of the Bank, w.e.f. July 20, 2022, pursuant to the RBI order dated July 20, 2022.

The Independent Directors i.e. Mr. Atul Malik, Ms. Rekha Murthy, Mr. Sharad Sharma, Ms. Nandita Gurjar, Mr. Sanjay Kumar Khemani and Mr. Sadashiv Srinivas Rao were appointed for the period of five years w.e.f. July 15, 2022 till July 14, 2027.

### Recategorisation

Pursuant to letter dated May 18, 2022 received from State Bank of India, Mr. Thekepat Keshav Kumar and Mr. Sandeep Tewari were recategorised as Nominee Director of State Bank of India w.e.f. August 25, 2022.

#### Mr. Prashant Kumar

Pursuant to the recommendation of the Nomination & Remuneration Committee of the Bank ("N&RC"), the Board at its meeting held on July 15, 2022, approved and recommended to RBI, appointment of Mr. Prashant Kumar as the Managing Director and Chief Executive Officer ("MD & CEO") of the Bank, for a period of three (3) years.

In order to have management continuity pending review and approval by RBI of the above recommendation, the Board at the said meeting basis the recommendation of the N&RC, also approved and recommended to the RBI, appointment of Mr. Prashant Kumar as Interim MD & CEO of the Bank. The RBI vide its letter dated July 15, 2022, approved the appointment of Mr. Prashant Kumar as the Interim MD & CEO of the Bank, for the period of three (3) months, w.e.f. July 15, 2022 or till the appointment of a regular MD&CEO of the Bank, wherever is earlier, which was subsequently approved by the Shareholders of the Bank at the Extra Ordinary General Meeting held on August 24, 2022.

The RBI vide its letter dated October 6, 2022, approved the appointment of Mr. Prashant Kumar as the MD & CEO of the Bank, for a period of three (3) years w.e.f. October 6, 2022, which was subsequently approved by the Shareholders of the Bank through Postal Ballot on March 9, 2023.

#### **Mr. Rama Subramaniam Gandhi**

Pursuant to the recommendation of the N&RC, the Board at its meeting held on July 23, 2022, appointed Mr. Rama Subramaniam Gandhi as an Additional Independent Director on the Board of the Bank for the period of five (5) years effective from July 23, 2022, subject to approval of shareholders.

The Shareholders of the Bank, at the Extra Ordinary General Meeting held on August 24, 2022, approved the appointment of Mr. Rama Subramaniam Gandhi as an Independent Director of the Bank for a period of five (5) consecutive years from July 23, 2022 to July 22, 2027.

Based on the recommendation of the Board of the Bank, the RBI vide its letter dated September 20, 2022, approved the appointment of Mr. Rama Subramaniam Gandhi as the Non-Executive (Part-time) Chairman of the Bank, for a period of three (3) years w.e.f. September 20, 2022.

#### **Mr. Sunil Kaul and Ms. Shweta Jalan**

Pursuant to the recommendation of the N&RC, the Board at its meeting held on December 13, 2022, appointed Mr. Sunil Kaul (Nominee of CA Basque Investments) and Ms. Shweta Jalan (Nominee of Verventa Holdings Limited) as Additional Directors on the Board of the Bank, effective from December 13, 2022, which was subsequently approved by the Shareholders of the Bank through Postal Ballot on March 9, 2023.

#### **Mr. Rajan Pental**

Pursuant to the recommendation of the N&RC, the Board at its meeting held on September 20, 2022, approved the appointment of Mr. Rajan Pental as an Additional Director on the Board of the Bank with effect from the date of receipt of RBI approval for appointment as an Executive Director.

Further, the Board of Directors at its said meeting of September 20, 2022 also approved and recommended to the RBI, the appointment and remuneration of Mr. Rajan Pental as Executive Director of the Bank for a period of three (3) years effective from the date of receipt of RBI approval.

The RBI vide its letter dated February 2, 2023, approved the appointment of Mr. Rajan Pental as an Executive Director of the Bank for a period of three (3) years w.e.f. February 2, 2023.

The Shareholders through Postal Ballot, on March 9, 2023, approved the appointment of Mr. Rajan Pental as a Director of the Bank and also as an Executive Director for a period of three (3) years w.e.f. February 2, 2023.

#### **Key Managerial Personnel of the Bank**

During the FY 2022-23, following changes took place in the Key Managerial Personnel;

1. Mr. Prashant Kumar the MD & CEO of the Bank, appointed as per the Scheme notified by the Ministry of Finance, Government of India under Notification No. G.S.R. 174(E) dated March 13, 2020, ceased to be the Director and Key Managerial Personnel of the Bank w.e.f. July 15, 2022.

The Shareholders at its 18<sup>th</sup> Annual General Meeting, appointed, Mr. Prashant Kumar as the Director of the Bank, w.e.f. July 15, 2022.

Pursuant to the recommendation of the N&RC, the Board at its meeting held on July 15, 2022, appointed Mr. Prashant Kumar as the MD & CEO, subject to approval of the RBI.

However, in order to have management continuity pending review and approval by RBI of the above recommendation, the Board at the same meeting on recommendation of the N&RC, appointed Mr. Prashant Kumar as the Interim MD & CEO as well, which was approved by the RBI vide its letter dated July 15, 2022. Subsequently, the RBI vide its letter dated, October 6, 2022, approved the

appointment of Mr. Prashant Kumar as the MD & CEO of the Bank, for a period of three (3) years w.e.f. October 6, 2022.

2. Mr. Rajan Pental was appointed as the Executive Director and Key Managerial Personnel w.e.f. February 2, 2023.

As on the date of this report, in terms of Section 203(1) of the Companies Act, 2013, Mr. Prashant Kumar, Managing Director & Chief Executive Officer, Mr. Rajan Pental, Executive Director, Mr. Niranjana Banodkar, Chief Financial Officer and Mr. Shivanand Shettigar, Company Secretary are the Key Managerial Personnel of the Bank.

### STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

As per the Reconstruction Scheme through which the erstwhile Board was constituted, none of the Directors were designated as Independent Directors. Hence, the Bank was not required to obtain declarations under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the Listing Regulations, from the erstwhile Board. However, as a matter of good governance the Bank had obtained declarations from six Non-Executive Directors who were appointed/co-opted pursuant to the Scheme, confirming that they meet the criteria of independence as required under the relevant provisions of Companies Act, 2013 and Listing Regulations.

The alternate Board of the Bank was constituted w.e.f. July 15, 2022 which operates under the applicable laws & regulations as against the erstwhile Board which was constituted and functioned under the ambit of the Scheme. The Bank has already complied with all the conditions of the Scheme and made an application to RBI for confirmation that the Bank is out of the Scheme. However, the said confirmation from RBI is awaited and till such time, the Bank is still deemed to be under the Scheme.

The Bank has received necessary declarations from each Independent Director under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the Listing Regulations, that they meet the criteria of independence laid down thereunder. The Board has assessed the veracity of the confirmations submitted by the Independent Directors, as required under Regulation 25(9) of the SEBI Listing Regulations.

During the year, there has been no change in the circumstances affecting their status as Independent Directors of the Bank and that they are not debarred from holding the office of director under any SEBI order or any other such authority.

### STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of the Board, the Independent Directors are persons of integrity and possess the requisite experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

### NUMBER OF MEETINGS OF THE BOARD AND ITS VARIOUS COMMITTEES

The details of Meetings of Board and Committees held during the year, attendance of Directors at the meetings and constitution of various Committees of the Board are included separately in the Corporate Governance Report, which forms part of the Annual Report.

### PERFORMANCE EVALUATION OF THE BOARD

In line with the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on the Board Evaluation dated January 05, 2017 and as per the performance evaluation framework approved by the Nomination & Remuneration Committee and endorsed by the Board, the Board has carried out the performance evaluation of the Directors including Chairman, Managing Director & CEO, Executive Directors, Board Level Committees and Board as a whole for the FY 2022-23.

The Bank had formulated separate questionnaires for the aforesaid evaluation and was circulated to the members of the Board electronically. The said questionnaires covered various aspects of evaluation, including the following:

- i. **Individual Directors** – Attendance and Participation, Contribution in Strategic Planning, Responsibilities towards Stakeholders, Compliance & Governance and Updation of Knowledge.
- ii. **MD&CEO and Executive Director** – Experience and Knowledge, Performance of the Bank, Awards and recognition, Leadership, Attendance and Participation, Contribution in Strategic Planning and Responsibilities towards Stakeholders.



- iii. **Chairman** – Conduct of Meeting, Impartiality, Attendance and Participation, Experience and Knowledge, Leadership, Contribution in Strategic Planning, Responsibilities towards Stakeholders and effective use of resources.
- iv. **Board** – Composition and Diversity, Committees of the Board, Discussions at the Meetings, Teamwork and Cohesiveness of Board decisions, Understanding of roles and responsibilities and Grievance redressal of Stakeholders.
- v. **Committees** – Composition and balance of skill sets, adherence to pre-approved meeting schedule, frequency and overall contribution, understanding of regulatory environment and developments, Interaction with Board, Independence of Committee from Board and justice to the role of the Committees.

The Independent Directors at their meeting held on April 22, 2023, reviewed the performance of Non-Independent Directors, Chairman, Managing Director & CEO, Executive Directors and Board as a whole and submitted the summary report of evaluation to the Board for their consideration. Further, the Board at its meeting held on April 22, 2023, based on the summary report of the Independent Directors and the responses received to the questionnaire, assessed the performance of the Directors including Chairman, Managing Director & CEO, Executive Directors, Board Level Committees and Board as a whole and submitted the summary report of evaluation to N&RC for reviewing the implementation of performance evaluation as per the approved framework. The N&RC at its meeting held on May 10, 2023, reviewed the implementation and compliance of the performance evaluation framework basis the report submitted by the Board.

The Chairman of the Board and the Chairperson of Nomination & Remuneration Committee and an Independent Director who chaired the meeting of the Independent Director took the lead in the process of evaluation and sharing the feedback with the Individual Directors and discussion on actionable. The feedback on Board and Board Level Committees were also shared for further action. The Board of Directors also identified specific actionable with due emphasize and focus on sustainable improvement in governance practices and business growth.

## **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 Directors including the Chairman of the Bank. The details of the same are made available on the Bank’s website and can be accessed at [https://www.yesbank.in/pdf/board\\_kmp\\_sr\\_mgmt\\_remuneration\\_policy\\_pdf](https://www.yesbank.in/pdf/board_kmp_sr_mgmt_remuneration_policy_pdf).

Further, the Bank has a separate Total Rewards Policy articulated in line with relevant RBI guidelines which inter alia deals with the Compensation & Benefits of the Managing Director & CEO and the Whole-time Directors.

## **EMPLOYEE REMUNERATION**

- a) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Companies Act, 2013, the same would be available for inspection during working hours at the Registered Office of the Bank till the date of Annual General Meeting. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Bank.
- b) The ratio of the remuneration of each Director and employees of the Bank as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 1 to the Report.

## **EMPLOYEES STOCK OPTION SCHEME**

YES BANK has instituted Stock Option Plans to enable its employees to participate in Bank’s future growth and financial success. The Bank provides its employees a platform for participating in important decision making and instilling long term commitment towards future growth of the Bank by way of rewarding them through Stock Options. In terms of Total Rewards 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 detailed disclosures as stipulated under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is hosted on the website of the Bank at [https://www.yesbank.in/pdf?name=esos\\_disclosure\\_pursuant\\_to\\_regulation\\_14\\_of\\_sebi\\_sbeb\\_n\\_se\\_regulations\\_2021\\_pdf.pdf](https://www.yesbank.in/pdf?name=esos_disclosure_pursuant_to_regulation_14_of_sebi_sbeb_n_se_regulations_2021_pdf.pdf).

## CORPORATE GOVERNANCE

The Bank is committed to follow best Corporate Governance practices and adheres to the Corporate Governance requirements set by the Regulators under the applicable Laws/Regulations. In line with the foregoing, the Bank has adopted a Code of Corporate Governance which acts as a guide to the Bank and the Board on the best practices in the Corporate Governance.

A separate section on Corporate Governance standards followed by the Bank and the relevant disclosures, as stipulated under Listing Regulations, Companies Act, 2013 and rules made thereunder forms part of the Annual Report.

A Certificate from M/s. BNP & Associates, Practicing Company Secretaries, conforming compliance by the Bank to the conditions of Corporate Governance as stipulated under Listing Regulations, is annexed to the Report on Corporate Governance, which forms part of the Annual Report.

## VIGIL MECHANISM/WHISTLE- BLOWER POLICY

In line with the provisions of Listing Regulations, the Companies Act, 2013 and the principles of good governance, the Bank has devised and implemented a vigil mechanism, in the form of 'Whistle-Blower Policy'. The policy devised is also aligned to the recommendations of Protected Disclosure Scheme for Private Sector and Foreign Banks, instituted by RBI. Detailed information on the Vigil Mechanism of the Bank is provided in the Report on the Corporate Governance which forms part of the Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Bank has constituted Corporate Social Responsibility and Environmental, Social & Governance ("CSR&ESG") Committee and statutory disclosures with respect to

the CSR&ESG Committee and Annual Report on CSR Activities forms part of this Report as Annexure 2. The CSR Policy is available on the website of the Bank and can be accessed at [https://www.yesbank.in/pdf/ybl\\_corporate\\_social\\_responsibility\\_policy](https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy).

## AUDITORS & REPORTS OF THE AUDITORS

### A. Statutory Auditors

In terms of the Guidelines issued by the Reserve Bank of India ("RBI") vide Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the Members of the Bank at the 17<sup>th</sup> Annual General Meeting held on August 27, 2021 had approved the amendment in the tenure and terms of appointment of M/s. M. P. Chitale & Co., Chartered Accountants (ICAI Firm Registration No. 101851W) to hold office from the conclusion of the Sixteenth Annual General Meeting until the conclusion of the Nineteenth Annual General Meeting of the Bank to be held in the year 2023 who shall act as Joint Auditors of the Bank for the remainder of the revised term, and also approved the appointment of M/s. Chokshi & Chokshi LLP, Chartered Accountants, (ICAI Firm Registration No. 101872W/W100045), as Joint Statutory Auditors of the Bank to hold office from the conclusion of the Seventeenth Annual General Meeting until the conclusion of the Twentieth Annual General Meeting of the Bank to be held in the year 2024 subject to approval by RBI on an annual basis.

There were no qualifications, reservation or adverse remarks made by the Statutory Auditors in the Auditor's Report for Financial Year 2022-23.

### B. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013, M/s. BNP & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Bank to conduct the secretarial audit for the FY 2022-23. The Bank provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2022-23 is annexed to this report as Annexure 3. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report for FY 2022-23.

In terms of SEBI Circular no CIR/CFD/CMD1/27/2019 dated 8 February, 2019, relating to Annual Secretarial Compliance Report, the Bank had appointed M/s. BNP & Associates, Practicing Company Secretaries, for issuing the aforesaid

report for FY 2022-23. The Bank has submitted the Annual Secretarial Compliance Report to the Stock Exchanges within the prescribed time limit.

### MAINTENANCE OF COST RECORDS

Being a Banking Company, the Bank is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

### REPORTING OF FRAUDS BY THE AUDITORS

During the Financial Year 2022-23, pursuant to Section 143(12) of the Companies Act, 2013, neither the Statutory Auditors nor the Secretarial Auditors of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

As stipulated in Listing Regulations, the Business Responsibility and Sustainability Report describing the initiatives undertaken by the Bank from environmental, social and governance perspective is separately attached as part of the Annual Report.

### 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.

### DISCLOSURES UNDER GREEN INFRA BONDS

Green bond issuances in India have steadily increased over the past few years since the first issuance by YES BANK in February 2015, making India among the top ten largest green bond markets globally, with extensive participation from many corporates and financial institutions. Post the successful first Green Bond of YES BANK which raised ₹ 1,000 crore (equivalent to USD 160 million) in February 2015 and witnessed a strong demand from leading investors, YES BANK subsequently raised two other green bonds. In August 2015, the Bank raised ₹ 315 crore (equivalent to USD 50 million) through the issue of Green Bonds to International Finance Corporation (IFC) on a private placement basis, the first investment by IFC in an Emerging Markets Green Bond issue in the world through the first offshore rupee denominated bond or "Green Masala Bond". Moving ahead with its conviction towards Climate Finance, YES BANK has raised ₹ 330 crore (equivalent to USD 50 million) in December 2016, through an issue of a 7-year Green Infrastructure Bonds to FMO, the

Dutch Development Bank, on a private placement basis. This is FMO's 1<sup>st</sup> investment in a Green Bond issued by a bank in India.

The amount raised through all these issuances, are used to finance Green Infrastructure Projects, in whole, or in part, as per 'Eligible Projects' outlined in the Bank's internal guidelines for adherence to Green Bond Principles. The proceeds are managed through MIS-based asset tagging which tracks green bonds investments. The unutilised proceeds are invested in G-Secs. KPMG, India has provided limited assurance on conformity of the use of proceeds, process for evaluation and selection of projects, management of proceeds and reporting of these green bonds to Green Bond Principles (GBP) 2021.

The GBP are voluntary guidelines, developed by the International Capital Markets Association, for broad use by the market that recommend transparency and disclosure, and promote integrity in the development of the Green Bond market. They have the following four key components and the bank showcases its adoption below:

- **Use of Proceeds:** The proceeds raised by the bank are used in eligible project categories and include all projects funded in whole, or in part, in the fields of renewable and clean energy projects including Wind, Solar, Biomass, Hydropower and other such projects
- **Process for Evaluation and Selection of Eligible Projects:** The bank's process starts with interactions with potential borrowers to understand the overall aspects of the project and a preliminary confirmation against the eligibility criteria. The evaluation moves to risk assessment for confirmation of the eligibility, post which further documentation is sought as per the Bank's policies and GBP
- **Management of Proceeds:** Green Bond allocations to eligible projects are tracked by the bank through an MIS based asset tagging system. The unallocated proceeds, if any, are placed in liquid instruments
- **Reporting:** The bank's communication to investors through an annual update includes:
  - List of projects to which proceeds have been allocated to, with brief description including amounts disbursed, installed capacity
  - Summary of Environment and Social ("E&S") impacts associated with projects, if any
  - Information on investment of unallocated proceeds in liquid instruments

## Impacts

Through financing solar and wind power plants, these bonds strengthen India's energy security while reducing fossil fuel dependency. These bonds have been crucial in financing climate change mitigation with avoidance of emissions of CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub> and other air pollutants associated with fossil fuel based energy generation. Estimated CO<sub>2</sub> emission reductions are shared along with project details.

List of projects against which green bonds proceeds have been allocated as at March 31, 2023 is provided below.

Sr. No	Project Location	Description	Proceeds utilisation against	Total Fund Based Utilisation, ₹ crore (as at 31 <sup>st</sup> March, 2023)	Estimated* positive E&S impacts - CO <sub>2</sub> Emission Reduction (tCO <sub>2</sub> / yr)	Known significant negative E&S Impacts
1	Telangana	42 MW solar energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	107.05	65,117.29	None
2	Telangana	48 MW solar energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	35.38	82,334.12	None
3	Delhi NCR	3.26 MW rooftop solar installation across 9 locations	Bond Issuance Size of ₹ 1,000 crore (February 2015)	4.49	3,508.82	None
4	Maharashtra	10 MW wind energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	13.93	12,804.56	None
5	Gujarat	8.75 MW wind energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	20.62	9,833.82	None
6	Andhra Pradesh/ Rajasthan	105 MW and 50.4 MW wind energy project in Andhra Pradesh and Rajasthan respectively	Bond Issuance Size of ₹ 1,000 crore (February 2015)	200.75	253,906.05	None
7	Maharashtra	50 MW solar energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	173.84	88,490.09	None
8	Maharashtra	15.5 MW solar energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	62.97	30,111.91	None
9	Gujarat	18.34 MW solar energy project and 17.60 MW wind energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	129.93	84,664.50	None
10	Rajasthan	300 MW solar energy project	Bond Issuance Size of ₹ 1,000 crore (February 2015)	251.04	704,903.12	None
			Bond Issuance Size of ₹ 330 crore (December 2016)	266.28		None
11	Gujarat	30 MW wind energy project	Bond Issuance Size of ₹ 330 crore (December 2016)	30.81	55,075.91	None
12	Gujarat	252 MW wind energy project	Bond Issuance Size of ₹ 330 crore (December 2016)	32.91	823,334.67	None

\* The total CO<sub>2</sub> emission reduction for individual projects have been calculated based on the methodology outlined in the document 'CO<sub>2</sub> Baseline Database for the Indian Power Sector User Guide Version 18.0 dated December 2022' (published by the Central Electricity Authority of India) along with other relevant factors such as project PLF/CUF estimates, installed project capacity, resultant annual unit generation etc.

The temporary unallocated proceeds (₹ 315 crore of ₹ 315 crore bond issued in August 2015) are allocated in Government Securities and will be allocated back to eligible projects, when available.

The assurance statement issued by KPMG India is attached herewith as Annexure 4.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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 Annexure 5.

### ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Bank has placed a copy of the Annual Return in the prescribed Form MGT-7 as at March 31, 2023 on its website at <https://www.yesbank.in/about-us/investors-relation/financial-information/annual-reports>.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirm that the Bank has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India SS-1 and SS-2 respectively relating to Meetings of the Board, its Committees and the General Meetings.

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Bank has Zero tolerance towards any act on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every 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 endeavor to spread awareness on the aforementioned policy and ensure compliance by all the executives, the Bank has implemented a plan of action to disseminate the information and train the executives on the policy under the ambit of 'Gender Respect and Commitment to Equality' ("GRACE") program.

The Bank has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).

Number of cases filed and their disposal under Section 22 of the POSH is as follows:

Particulars	No. of Complaints
Number of Complaints carried forward from last year (FY22)	01
Number of Complaints filed during the Financial Year (FY23)	20
Number of Complaints disposed of during the Financial Year (FY23)	15
Number of Complaints pending as on the end of the Financial Year (FY23)	6*

\*Investigation in the matter of pending cases has been completed and further action is in progress which will be completed within the statutory timelines.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgements 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- the directors, had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and

- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep and sincere gratitude to the customers of the Bank for their confidence and patronage, as well as to the

Reserve Bank of India, Securities and Exchange Board of India, Government of India, and other Regulatory Authorities for their 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. We would also like to thank all our valued partners, vendors and stakeholders who have played a significant role in continuing to support the Bank.

For and on behalf of the Board of Directors

**YES BANK Limited**

Place: Mumbai  
Date: May 12, 2023

**Prashant Kumar**  
Managing Director & CEO  
(DIN: 07562475)

**Rama Subramaniam Gandhi**  
Chairperson  
(DIN: 03341633)

# Annexure 1

## The Details of Managerial Remuneration and Employee Remuneration Under Section 197(12) of The Companies Act, 2013

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:

1. The ratio of the remuneration<sup>#</sup> of each director to the median remuneration of the employees for the financial year; and
2. Percentage increase in remuneration<sup>#</sup> of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Directors/KMPs	Designation	Ratio to median remuneration of employees	% Increase in remuneration
Mr. Rama Subramaniam Gandhi <sup>1</sup>	Non-Executive Part Time Chairperson, Independent Director	7.6x	-
Mr. Atul Malik <sup>2&amp;3</sup>	Independent Director	7.7x	-
Ms. Rekha Murthy <sup>2&amp;3</sup>	Independent Director	5.6x	-
Mr. Sharad Sharma <sup>2&amp;3</sup>	Independent Director	4.8x	-
Mr. Sandeep Tewari <sup>3</sup>	Nominee Director of State Bank of India	2.5x	-
Mr. Thekepat Keshav Kumar <sup>3</sup>	Nominee Director of State Bank of India	3.3x	-
Mr. Sadashiv Srinivas Rao <sup>3</sup>	Independent Director	3.5x	-
Ms. Nandita Gurjar <sup>3</sup>	Independent Director	2.1x	-
Mr. Sanjay Kumar Khemani <sup>3</sup>	Independent Director	2.1x	-
Mr. Sunil Kaul <sup>6</sup>	Non Executive Director (Nominee of CA Basque Investments)	-	-
Ms. Shweta Jalan <sup>6</sup>	Non Executive Director (Nominee of Verventa Holdings Limited)	-	-
Mr. Prashant Kumar <sup>2&amp;3*</sup>	Managing Director & CEO	46.3x	37.70%
Mr. Rajan Pental <sup>7**</sup>	Executive Director	7.9x	-
Mr. Sunil Mehta <sup>2@</sup>	Chairman & Non-Executive Director	2.8x	-
Mr. Mahesh Krishnamurti <sup>2</sup>	Non-Executive Director	4.3x	-
Mr. Atul Bheda <sup>2</sup>	Non-Executive Director	3.8x	-
Mr. Ananth Narayan Gopalakrishnan <sup>5</sup>	Additional Director appointed by Reserve Bank of India	3.5x	-
Mr. Vadalur Subramanian Radhakrishnan <sup>2</sup>	Nominee Director (Non-Executive) of State Bank of India	3.1x	-
Mr. Ravindra Pandey <sup>4</sup>	Nominee Director (Non-Executive) of State Bank of India	3.3x	-
Mr. Niranjana Banodkar <sup>8</sup>	Chief Financial Officer	NA	37.10%
Mr. Shivanand R. Shettigar <sup>8</sup>	Company Secretary	NA	26.80%

**3. 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 21.8%. Remuneration includes Performance Bonus for FY 2021-22, that was paid out in the current financial year. NIL Performance Bonus was paid out in the previous financial year. For the calculation of % increase in Median Remuneration only employees who were in employment for the whole of financial year 2022-23 have been considered. We have excluded employees who were not eligible for increment.

**4. The number of permanent employees on roll of the Bank :**

There were 27,517 employees as at March 31, 2023

**5. Average percentiles 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 :**

Average remuneration increase for non-managerial personnel of the Bank during the financial year 2022-23 was 23.9% and average remuneration increase for managerial personnel of the Bank during the financial year 2022-23 was 35.8%. Remuneration includes Performance Bonus for FY 2021-22, that was paid out in the current financial year. NIL Performance Bonus was paid out in the previous financial year.

**6. Affirmation that the remuneration is as per the remuneration policy of the Bank :**

The Bank is in compliance with its Total Rewards Policy.

**Notes:**

- I. <sup>#</sup>Remuneration includes Fixed Pay+ Variable Pay paid during the year + perquisite value as calculated under the Income Tax Act, 1961. Remuneration does not include value of Stock Options.
- II. <sup>1</sup>Ceased to be Director w.e.f. July 20, 2022 and was subsequently re-appointed on the Board of the Bank w.e.f. July 23, 2022. Remuneration to Mr. Rama Subramaniam Gandhi in the FY 2022-23, consists of following:
  - i. Fixed remuneration paid during FY 2022-23 for the FY 2021-22, as per limits prescribed under the RBI's circular dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board and the relevant resolution passed by the members at the Eighteenth Annual General Meeting.
  - ii. Sitting fees for attending meetings held during FY 2022-23, of the Board/Committees/Independent Directors.
  - iii. Fixed remuneration paid for FY 2022-23 in capacity of Non-Executive Part-time Chairman, as approved by the Board and the RBI, within the limit approved by the members of the Bank.
- III. <sup>2</sup>Demitted their office as Director of the Bank, on constitution of alternate Board, w.e.f. July 15, 2022.
- IV. <sup>3</sup>Appointed on the Board of the Bank, as a part of the alternate Board of the Bank, w.e.f. July 15, 2022.
- V. <sup>4</sup>Ceased to be a Director of the Bank, w.e.f. July 1, 2022.
- VI. <sup>5</sup>Ceased to be a Director of the Bank, w.e.f. July 20, 2022.
- VII. <sup>6</sup>Appointed on the Board of the Bank w.e.f. December 13, 2022. They have waived their right to receive sitting fees for attending the Board/Board Level Committee Meetings of the Bank and remuneration as entitled in terms of extant Acts/Regulations/Board Remuneration Policy of the Bank, during their tenure as Director of YES BANK Limited.
- VIII. <sup>7</sup>Appointed on the Board of the Bank w.e.f. February 02, 2023.



- IX. <sup>©</sup>Mr. Sunil Mehta was paid remuneration for FY 2022-23 in capacity of Chairman & Non-Executive Director, as approved by the Board and the RBI, within the limit approved by the members of the Bank.
- X. <sup>\*</sup>Remuneration in case of Managing Director & CEO is regulated by RBI guidelines. MD & CEO's compensation includes fixed pay arrears for financial year 2021-22 and cash variable pay. For current financial year, cash variable pay includes 50% of cash variable pay for the performance period FY 2021-22 and tranche 1 of the 3 deferred cash variable pay for FY 2020-21. For previous year, cash variable pay included only 50% of cash variable pay for performance period FY 2020-21.
- XI. <sup>\*\*</sup>Executive Director was appointed from February 02, 2023 and his remuneration for the period from February 02, 2023 to March 31, 2023 has been considered.
- XII. The remuneration of the Non-executive Director (other than the Non-Executive Part-time Chairman) of the Bank, for FY 2022-23, comprises:
- (i) compensation in the form of fixed remuneration as per limits prescribed under the RBI's circular dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board and the relevant resolution passed by the members at the Eighteenth Annual General Meeting and
  - (ii) Sitting fees for attending meetings held during FY 2022-23, of the Board/Committees/Independent Directors.
- XIII. For the Directors who were on the Board of the Bank for the partial period of FY 2022-23 or FY 2021-22, the percentage increase is not given since the remuneration received is only for the part of the year(s).
- XIV. <sup>®</sup>Mr. Niranjan Banodkar and Mr. Shivanand Shettigar's compensation in current financial year includes performance bonus payout. NIL performance bonus payout was made in previous year. Hence the percentage increase in remuneration shown includes the fixed remuneration and variable remuneration of the past year paid in the current year.

# Annexure 2

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. A BRIEF OUTLINE OF THE BANK'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN:

#### YES BANK'S CSR POLICY:

YES BANK aims to contribute towards nation building and make a meaningful and measurable impact in people's lives. The Bank's CSR Policy outlines the approach and direction given by the Board of Directors, taking into account recommendations of the Corporate Social Responsibility & Environmental, Social & Governance Committee and includes guiding principles for selection, implementation and monitoring of corporate social responsibility activities as well as formulation of a CSR annual action plan.

#### APPROACH TOWARDS CSR:

The Bank's approach to CSR aligns with Section 135 of The Companies Act, 2013 and is in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. YES BANK undertakes CSR initiatives to:

- Promote principles of social responsibility and inclusive growth through awareness and support
- Strengthen the trust of its stakeholders, including society at large
- Establish the Bank as a responsible corporate citizen

#### YES BANK'S FOCUS AREAS UNDER CSR:

The Bank undertakes CSR activities that focus on 3Es

- Employability
- Entrepreneurship
- Environment Sustainability

### 2. COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL SOCIAL & GOVERNANCE COMMITTEE ("CSR&ESGC"):

The Composition of the CSR&ESGC as at March 31, 2023 is as under:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR&ESGC Committee held during the year	Number of meetings of CSR&ESGC Committee attended during the year
1	Ms. Rekha Murthy	Chairperson, Independent Director*	2	2
2	Mr. Sadashiv Srinivas Rao	Member, Independent Director	2	2
3	Ms. Nandita Gurjar	Member, Independent Director	2	2
4	Ms. Shweta Jalan	Member, Non-Executive Director	1	-
5	Mr. Rajan Pental	Member, Executive Director	-	-

During FY 2022-23, Two (2) meetings of the Corporate Social Responsibility & Environmental, Social and Governance Committee were held on September 29, 2022 and February 10, 2023. The number of meetings of the CSR&ESGC held during the year mentioned in the table above to be read as eligible to attend, also details of change in the composition of the Committee during the year are provided elsewhere in the Corporate Governance Report. \*Since, pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided in the Corporate Governance Report).

**3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR&ESG COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:**

- For composition of the Committee: <https://www.yesbank.in/about-us/our-team>
- For Policy: [https://www.yesbank.in/pdf/ybl\\_corporate\\_social\\_responsibility\\_policy](https://www.yesbank.in/pdf/ybl_corporate_social_responsibility_policy)
- For CSR Projects: There was no net profit available as per Section 135(5) for the financial year 2022-23 which could have been spent on CSR Projects, therefore the Bank was not required to approve and display any projects under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014;

**4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB- RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE:**

Not applicable

- Average net profit of the company as per sub-section (5) of section 135 – There was no net profit available as per sub-section (5) of Sec. 135
  - Two percent of average net profit of the company as per sub-section (5) of section 135 - NIL
  - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - NIL
  - Amount required to be set-off for the financial year, if any - NIL
  - Total CSR obligation for the financial year [(b)+(c)-(d)] - NIL
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - **Not Applicable**
  - Amount spent in Administrative Overheads - **Not Applicable**
  - Amount spent on Impact Assessment, if applicable - **Not Applicable**
  - Total amount spent for the Financial Year [(a)+(b)+(c)] - **Not Applicable**
  - CSR amount spent or unspent for the Financial Year -

Total Amount spent for Financial year	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)			
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

- Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Not Applicable
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Not Applicable
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Not Applicable

## 7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

1	2	3	4	5	6	7	8	
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							

## 8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

Yes  No

If Yes, enter the number of Capital assets created/ acquired  - Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	CSR	Name	Registered address
					Registration Number, if applicable		

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

## 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. - Not Applicable

**Prashant Kumar**  
Managing Director & CEO  
(DIN: 07562475)

**Rekha Murthy**  
Chairperson of Committee  
(DIN: 07825183)

Date: May 12, 2023

# Annexure 3

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,  
YES BANK LIMITED**  
YES BANK House,  
Off Western Express Highway,  
Santacruz East,  
Mumbai – 400055

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by YES BANK Limited having CIN: - L65190MH2003PLC143249 (hereinafter called “the Bank”) for the financial year ended on 31<sup>st</sup> March, 2023 (the “Audit Period”/ “Period under review”/ “Review Period”).

We conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Bank’s corporate conducts/ statutory compliances and expressing our opinion thereon.

### We are issuing this report based on:

- (i) Our verification of the Bank’s books, papers, minutes books, forms and returns filed, records provided through virtual data room/physically and other records maintained by the Bank;
- (ii) Compliance certificates confirming compliance with Corporate laws applicable to the Bank given by the Key Managerial Personnel / Senior Managerial Personnel of the Bank and taken on record by the Bank’s Audit Committee / Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Bank, its officers, agents and authorised representatives during our conduct of Secretarial Audit

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on 31<sup>st</sup> March, 2023, the Bank has:

- (i) Complied with the statutory provisions listed hereunder; and

- (ii) Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

## 1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

### We further report that:

- 1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Bank during the year in terms of the applicable provisions / clauses of:
  - (i) The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act (“FEMA”), 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investments.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”)
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015\*;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (i) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- (j) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994

\* The Bank has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- (vi) Secretarial Standards relating to meetings of Board of Directors and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) and notified by the Central Government under Section 118(10) of the Act which have mandatory application.

#### 1.2 During the period under review:

- (i) The Bank has complied with all the applicable provisions of all the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally complied with the applicable provisions / clauses of:
  - (a) FEMA to the extent of Foreign Direct Investment received under paragraph 1.1 (iv);
  - (b) The Secretarial Standards on meetings of Board of Directors (SS-1) and on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, which were applicable to the meetings of the Board of Directors, Committees constituted by

the Board held during the audit period, the 18<sup>th</sup> Annual General Meeting ("AGM") held on 15<sup>th</sup> July, 2022, the Extra-Ordinary General Meeting ("EGM") held on 24<sup>th</sup> August, 2022 and the Postal Ballot conducted by the Bank which concluded on 09<sup>th</sup> March, 2023. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conferencing for the Board/Committee meeting(s) held during the audit period, were verified based on the minutes of such meetings as provided by the Bank.

#### 1.3 During the audit period, provisions of the following Acts /Regulations were not applicable to the Bank:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

#### 1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Bank and provided to us with respect to the following Statutes which are applicable to the Bank:

- (i) The Banking Regulation Act, 1949 (the "BR Act");
- (ii) The YES BANK Limited Reconstruction Scheme, 2020 ("the Scheme") notified vide gazette no. G.S.R. 174(E) dated March 13, 2020 by the Ministry of Finance;
- (iii) The IRDAI (Registration of Corporate Agents) Regulations, 2015

## 2. BOARD PROCESSES OF THE BANK:

### We further report that:

- 2.1. During the Audit Period, the processes relating to the changes made in the composition of the Board of Directors and Key Managerial Personnel were carried out in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Banking Regulation Act, 1949 and the Scheme.

2.2. The Board of Directors of the Bank as at 31<sup>st</sup> March, 2023 comprised of:

- i. Two Executive Directors -
  - Mr. Prashant Kumar (DIN-07562475);
  - Mr. Rajan Pental (DIN-08432870).
- ii. Four Non-Executive Non-Independent Directors -
  - Mr. Sandeep Tewari (DIN-09623300);
  - Ms. Shweta Jalan (DIN-00291675);
  - Mr. Sunil Kaul (DIN-05102910);
  - Mr. Thekepat Keshav Kumar (DIN-09623382).
- iii. Seven Non-Executive Independent Directors, including two Women Independent Directors –
  - Mr. Atul Malik (DIN-07872539);
  - Ms. Nandita Gurjar (DIN-01318683);
  - Mr. Rama Subramaniam Gandhi (DIN-03341633);
  - Ms. Rekha Murthy (DIN-07825183);
  - Mr. Sadashiv Srinivas Rao (DIN-01245772);
  - Mr. Sanjay Kumar Khemani (DIN-00072812);
  - Mr. Sharad Sharma (DIN-05160057).

2.2 Adequate notice(s) with Agenda and the detailed notes to Agenda of at least seven days was given to all the directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at shorter notice, due compliance was ensured, as required under the Act and the Secretarial Standard on meetings of the Board of Directors.

2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.4 We note from the minutes examined during the course of audit that, at the Board meetings held during the year:

- (i) Decisions were taken through the majority of the Board; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

### 3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes prevalent in the Bank, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

### 4. SPECIFIC EVENT(S) / ACTION(S)

During the period under review, the following specific event(s)/action(s), having a major bearing on the Bank's affairs took place: -

- 4.1. On March 05, 2020, the Central Government in terms of Section 45 of the BR Act imposed moratorium on the Bank. Further, RBI in exercise of its powers conferred under Section 361\CA of the BR Act superseded the Board of Directors and appointed an Administrator to manage the affairs of the Bank. Accordingly, the Administrator, on behalf of the Bank, to protect the interest of the Bank and its depositors, was constrained to write down two tranches of AT-1 Bonds aggregating to ₹ 8415 crore. Multiple writ petition(s) were filed before the Hon'ble Bombay High Court challenging the write down of AT-1 Bonds.

The Hon'ble Bombay High Court *vide* judgment dated January 20, 2023 has set aside the Stock Exchange Intimation and decision of the Bank to write down AT-1 Bonds. Aggrieved by the said Judgment of the Hon'ble BHC, the Bank had filed Special Leave Petition(s) ("SLPs") before the Hon'ble Supreme Court of India ("Supreme Court") challenging the decision of the Hon'ble BHC and the SLPs were listed for admission hearing on March 03, 2023. After hearing the relevant parties, the Hon'ble Supreme Court *vide* its Order dated March 03, 2023 extended the stay granted by the Hon'ble BHC and the same shall be subject to the final orders of the Hon'ble Supreme Court which are pending on the date of this Report.

Separately, the Securities and Exchange Board of India ("SEBI") had issued a show cause notice dated

October 28, 2020 to the Bank and its Officials in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 151 of SEBI Act and to inquire into and adjudge under Section 15HA of the SEBI Act 1992 for the alleged violation of the provisions of Section 12A (b) and 12A (c) of the SEBI Act and Regulation 3(a), 3(c), 3(d), 4(1), and 4 (2) (s) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 read with Explanation (1) to Regulation 4 (2) of said regulations for the alleged mis-selling of Additional Tier 1 Bonds ("AT-1 Bonds") in the secondary market. SEBI vide its Order dated April 12, 2021 imposed a penalty of ₹ 25 crore against the Bank under Section 15 HA of SEBI Act, 1992 for the same. Aggrieved by the above-mentioned SEBI order, the Bank and other notice(s) had preferred separate Appeal(s) before the Hon'ble Securities Appellate Tribunal, Mumbai ("SAT"). On May 18, 2021 SAT heard the appeals and was pleased to stay the effect and operations of SEBI order dated April 12, 2021. After multiple adjournments, the Appeal(s) are now pending for final hearing.

4.2. Based on RBI's letter dated 29<sup>th</sup> December, 2021 and upon approval from the Bondholders on 09<sup>th</sup> April, 2022, early redemption of certain Basel-II compliant Lower Tier-II & Upper Tier-II Bond instruments aggregating to ₹ 875 crore (Rupees Eight Seventy-Five crore Only) was made on 04<sup>th</sup> May, 2022.

4.3. The shareholders of the Bank, at their 18<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> July, 2022, have approved the following items of special businesses:-

- (i) borrowing/ raising funds in Indian/ foreign currency by issue of debt securities, on private placement or otherwise, as deemed fit by the Board of Directors as per the structure and within the limits permitted by RBI and other regulatory authorities for an amount up to ₹ 10,000 crore (Rupees Ten Thousand crore Only) in domestic and/or overseas market, during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank by way of a special resolution;
- (ii) amendment/variation in the YBL Employee Stock Option Scheme of the Bank ("YBL ESOS-2020") as a special resolution viz:

- by increasing the number of employee stock options ("Options") from 22,50,00,000 (Twenty-Two crore and Fifty lakh) to 47,50,00,000 (Forty-Seven crore and Fifty lakh) Options for grant to eligible employees of the Bank, from time to time, in one or more tranches, convertible into equal number of equity shares of the Bank of face value of ₹ 2/- each fully paid-up upon exercise.
- by increasing the maximum limit of Options to be granted per employee from 50,00,000 (Fifty lakh) to 1,50,00,000 (One crore Fifty lakh).
- by aligning the Scheme with the SEBI ("SBEB & SE") Regulations, 2021.

(iii) material related party transactions with State Bank of India and material modification(s) thereto for contracts / arrangements / transactions carried out on arm's length basis and in the ordinary course of business of the Bank by way of continuation(s) or renewal(s) or extension(s) or fresh and independent transaction(s) or otherwise for an aggregate limit which shall not exceed ₹ 15,000 crore (Rupees Fifteen Thousand crore Only) during each of the financial years 2022-23, 2023-24 and 2024-25 and any modifications upto 10% of the proposed limit of each transaction as a special resolution.

(iv) as an Ordinary Resolution, payment of fixed remuneration to each of the Non-Executive Directors (other than part-time Chairman) of the Bank not exceeding ₹ 20,00,000/- (Rupees Twenty lakh Only) per annum, effective from 1<sup>st</sup> April, 2021.

(v) by way of an Ordinary Resolution, payment of remuneration to Mr. Prashant Kumar (DIN: 07562475) as MD & CEO of the Bank effective from financial year 2021-22.

(vi) by way of special resolution, appointment of Mr. Atul Malik (DIN- 07872539), as an Independent Director of the Bank.

(vii) by way of special resolution, appointment of Ms. Rekha Murthy (DIN- 07825183), as an Independent Director of the Bank.



- (viii) by way of special resolution, appointment of Mr. Sharad Sharma (DIN- 05160057), as an Independent Director of the Bank.
- (ix) by way of special resolution, appointment of Ms. Nandita Gurjar (DIN- 01318683), as an Independent Director of the Bank.
- (x) by way of special resolution, appointment of Mr. Sanjay Kumar Khemani (DIN- 00072812), as an Independent Director of the Bank.
- (xi) by way of special resolution, appointment of Mr. Sadashiv Srinivas Rao (DIN- 01245772), as an Independent Director of the Bank.
- (xii) by way of an Ordinary Resolution, appointment of Mr. Thekepat Keshav Kumar (DIN-09623382), as a Non-Executive Non-Independent Director of the Bank liable to retire by rotation.
- (xiii) by way of an Ordinary Resolution, appointment of Mr. Sandeep Tewari (DIN- 09623300), as a Non-Executive Non-Independent Director of the Bank liable to retire by rotation.
- (xiv) by way of an Ordinary Resolution, appointment of Mr. Prashant Kumar (DIN-07562475), as a Director of the Bank.

4.4. The shareholders of the Bank, at the Extra-Ordinary General Meeting held on 24<sup>th</sup> August, 2022, have approved the following: -

- (i) by way of an Ordinary Resolution, an increase in the authorised share capital of the Bank and consequent alteration of the capital clause of the Memorandum of Association ("MOA") of the Bank.
- (ii) by way of a Special Resolution, amendments to the Articles of Association ("AOA") of the Bank by inclusion of new Article Nos. 111A, 127A(ba) and substitution of Article Nos. 127(a), 127A(c), (d), (e), (f), (g), 118(a), 127(g), 164 and 181(b).
- (iii) by way of a Special Resolution, to authorise the Board to raise a total amount up to ₹ 88,98,47,02,586/- (Rupees Eight Thousand Eight Hundred Ninety-Eight crore Forty-Seven lakh Two Thousand Five Hundred and Eighty-Six Only) by way of issuance and allotment, on a preferential basis, as a private placement:

- Up to 369,61,55,702 (Three Hundred and Sixty-Nine crore Sixty-One lakh Fifty-Five Thousand Seven Hundred and Two) equity shares of face value of ₹ 2/- (Rupees Two only) each of the Bank ("Investor Equity Shares"), for an aggregate consideration of up to ₹ 5,093,30,25,574 (Rupees Five Thousand Ninety-Three crore Thirty lakh Twenty-Five Thousand Five Hundred and Seventy-Four only).
- Up to 256,75,89,542 (Two Hundred and Fifty-Six crore Seventy-Five lakh Eighty-Nine Thousand and Five Hundred and Forty-Two) share warrants carrying a right to the warrant holder to exercise, get issued and allotted 1 (one) equity share of face value of ₹ 2/- (Rupees Two only) each of the Bank for each such share warrant (the "Investor Warrants"), for an aggregate consideration of up to ₹ 3,805,16,77,012/- (Rupees Three Thousand Eight Hundred and Five crore Sixteen lakh Seventy-Seven Thousand and Twelve only).

- (iv) by way of Special Resolution, appointment of Mr. R. Gandhi (DIN - 03341633) as an Independent Director.
- (v) by way of an Ordinary Resolution, appointment and remuneration of Mr. Prashant Kumar (DIN - 07562475) as an interim Managing Director & Chief Executive Officer ("MD & CEO") of the Bank subject to revision in his remuneration for the aforesaid period as may be approved by RBI and in compliance of the provisions of the Act.

4.5. Upon receipt of approval, from RBI vide letter dated 30<sup>th</sup> November, 2022 read with RBI letter dated 08<sup>th</sup> December, 2022, Competition Commission of India ("CCI") vide letter dated 20<sup>th</sup> October, 2022 and the in-principle approval from the Stock Exchanges dated 23<sup>rd</sup> August, 2022, the Board of Directors at its meeting held on 13<sup>th</sup> December, 2022 allotted on a preferential basis, by way of private placement:

- a. 369,61,55,702 (Three Hundred and Sixty-Nine crore Sixty-One lakh Fifty-Five Thousand Seven Hundred and Two) equity shares of face value of ₹ 2/- (Rupees Two Only) each of the Bank, each fully paid-up for cash, at an issue price of ₹ 13.78/- (Rupees Thirteen and Seventy-Eight Paise Only) [including premium of ₹ 11.78/- (Rupees Eleven and

Seventy-Eight Paise Only)] per equity share to Verventa Holdings Limited and CA Basque Investments in equal proportion.

- b. 255,97,61,818 (Two Hundred Fifty-Five crore Ninety-Seven lakh Sixty-One Thousand Eight Hundred and Eighteen) warrants carrying a right to the warrant holder to exercise, get issued and allotted 1 (one) equity share of face value of ₹ 2/- (Rupees Two only) each of the Bank for each such equity share being fully paid-up for cash at a price of ₹ 14.82/- (Rupees Fourteen and Eighty-Two Paise Only) [including premium of ₹ 12.82/- (Rupees Twelve and Eighty-Two Paise Only)] per such equity share to Verventa Holdings Limited and CA Basque Investments in equal proportion.
- c. The shares allotted pursuant to the above have been listed on the Stock Exchanges effective 22<sup>nd</sup> December, 2022.

4.6. The shareholders of the Bank, through Postal Ballot have approved the following by way of an Ordinary Resolution on 09<sup>th</sup> March, 2023:

- (i) Appointment and Payment of remuneration of ₹ 30,00,000/- (Rupees Thirty lakh Only) per annum and other allowances, if any to Mr. Rama Subramaniam Gandhi (DIN: 03341633) as Non-Executive Part-time Chairman of the Bank from the date of RBI approval vide letter dated 20<sup>th</sup> September, 2022;
- (ii) Appointment and Payment of remuneration to Mr. Prashant Kumar (DIN: 07562475) as MD & CEO of the Bank for a period of three (3) w.e.f. 06<sup>th</sup> October, 2022 to 05<sup>th</sup> October, 2025 and revised remuneration for period from 01<sup>st</sup> April, 2022 to 15<sup>th</sup> July, 2022 as MD & CEO under the Scheme and from 16<sup>th</sup> July, 2022 to 5<sup>th</sup> October, 2022 as interim MD & CEO of the Bank, upon RBI approval vide letter dated 01<sup>st</sup> November, 2022;

- (iii) Appointment of Mr. Sunil Kaul (DIN: 05102910) as Non-Executive Director of the Bank not liable to retire by rotation;
- (iv) Appointment of Ms. Shweta Jalan (DIN: 00291675) as Non-Executive Director of the Bank not liable to retire by rotation;
- (v) Appointment of Mr. Rajan Pental (DIN - 08432870) as a Director of the Bank;
- (vi) Appointment and Payment of remuneration to Mr. Rajan Pental (DIN: 08432870) as an Executive Director of the Bank from the date of RBI approval vide letter dated 02<sup>nd</sup> February, 2023, subject to revision in his remuneration as may be approved by RBI from time to time.

4.7. During the period under review, the Bank redeemed bonds aggregating to ₹ 1763.8 crore. Accordingly, as at 31<sup>st</sup> March, 2023 bonds aggregating to the value of ₹ 18,001.2 crore were outstanding.

4.8. The Bank has allotted 36,66,651 (Thirty-Six lakh Sixty-Six Thousand Six Hundred and Fifty-One) Equity Shares of face value of ₹ 2/- (Rupees Two Only) each, to eligible employees, in pursuance of the YBL ESOS-2020 of the Bank during the period under review.

**For BNP & Associates**  
Company Secretaries  
[Firm Regn. No. P2014MH037400]  
[PR No.: - 637/2019]

**Kalidas Ramaswami**  
Partner  
FCS No.: - F2440 COP No.: - 22856  
UDIN: - F002440E000280300

Place: Mumbai  
Date: - May 12, 2023

*\*The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.*

**Annexure A to the Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2023**

To,

**The Members,  
YES BANK LIMITED**

YES BANK House,  
Off Western Express Highway,  
Santacruz East,  
Mumbai – 400055

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Bank's Management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the Bank based on independent legal /professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Bank. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of significant events, wherever required.
7. Our 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  
[Firm Regn. No. P2014MH037400]  
[PR No.: - 637/2019]

**Kalidas Ramaswami**

Partner  
FCS No.: - F2440 COP No.: - 22856  
UDIN: - F002440E000280300

Place: Mumbai

Date: - May 12, 2023

# Annexure 4

## Assurance Statement By KPMG India For Green Bond

To the Management of YES BANK Limited, YES BANK House, Off Western Express Highway, Santacruz (East), Mumbai - 400055, Maharashtra, India.

### Introduction

KPMG Assurance and Consulting Services LLP was engaged by YES BANK Limited ('Issuer') to undertake an independent review of the following green bonds:

- Green bonds for ₹1,000 crores issued on February 24, 2015
- Green bonds for ₹ 315 crore issued on August 05, 2015
- Green bonds for ₹ 330 crore issued on December 29, 2016

Our responsibility was to provide "limited assurance" on continued compliance of the green bonds along with the accompanying report "Disclosures under Green Infrastructure Bonds" with the Green Bond Principles, 2021 for the period 01 January 2023 - 31 March 2023. The Statement is based on information and data covering the period from 01 January 2023 to 31 March 2023.

### Assurance standards

We conducted our engagement in accordance with the requirements of 'Limited Assurance' as per the International Federation of Accountants' ("IFAC") International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

### Assurance scope

Our scope of assurance included information on material aspects of the above-mentioned green bonds during 01 January 2023 to 31 March 2023 based on the requirements of the Green Bond Principles, 2021 as listed below:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

### Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the assurance scope and period
- Verify the Issuer's financial statements & economic performance

Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer.

### Work undertaken

We planned and performed our work to obtain selected evidences, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidences we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

### To reach our conclusion we:

- Checked the Issuer's Green Bond Framework, that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Read sections of the bond disclosure documentation that also support the objectives of the green bond issue, investment areas for proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Conducted interviews with management and key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework, have been implemented during 01 January 2023 to 31 March 2023;

- Checked the list of projects to which bond proceeds have been allocated during 01 January 2023 to 31 March 2023 and their conformance with the criteria defined in the Green Bond Framework; and
- Recalculated estimated carbon dioxide emission reductions from projects using information collected by the Issuer

### Conclusions

Based on the limited assurance procedures performed by us, nothing has come to our attention to suggest that the green bonds issued in February 2015, August 2015 and December 2016 by the Issuer and the accompanying report "Disclosures under Green Infrastructure Bonds" are not, in all material respects, conforming to the requirements of the Green Bond Principles, 2021, during the period 01 January 2023 - 31 March 2023."

### Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. We apply ISQM 1 and comply with the applicable independence and other ethical requirements of the IESBA code.

### Management's responsibility

The Management of the Issuer is responsible for ensuring that the Issuer and their green bond complies with the requirements of the Green Bond Principles, 2021. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

### Our responsibility

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 (Revised) standard.

This assurance report is made solely to Issuer in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Issuer those matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Issuer for any purpose or in any context. Any party other than Issuer who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Issuer for our work, for this independent limited assurance report, or for the conclusions we have reached. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. Our assurance statement is released to YES BANK Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

### Apurba Mitra

Associate Partner

KPMG Assurance and Consulting Services LLP

12 April 2023

# Annexure 5

## A. CONSERVATION OF ENERGY

### 1. The steps taken or impact on conservation of energy:

- The Bank has migrated from conventional fixtures to LED lighting across the bank. In the current financial year, the Bank replaced 21,259 conventional fixtures with LED units across 565 branches and 167 CFL signage with LED units across 154 branches.
- The Bank is in the process of phasing out air conditioning systems that use ozone depleting coolants. In the current reporting cycle, the Bank replaced 1,055 tonnage/ 970 Units of R22 air conditioners (in 248 branches) that are more than 10 years old with energy efficient (star rated) systems that use eco-friendly coolants, thus reducing its environmental footprint.

### 2. The steps taken by the bank for utilising alternate sources of energy:

- In line with its commitment to align with the net zero pathways suggested by the UN's Intergovernmental Panel on Climate Change, the Bank has pledged to reduce Green House Gas emissions (Scope 1 and Scope 2 emissions) from its operations to net zero by 2030. To achieve its net zero target, the Bank plans to migrate most of its facilities to renewable energy. In FY 2022-23, the share of renewable energy in the Bank's electricity mix increased to 11% resulting in approximately 4,435.77 tCO<sub>2</sub>e in avoided emissions. Currently, the Bank's corporate office, YES BANK House along with 34 of its 81 Branches in Mumbai have been switched to renewables.

### 3. The capital investment on energy conservation equipment:

- ₹ 7.01 crore was spent during the current financial year on energy conservation including AC retrofitting, LED projects and signage replacements at corporate offices and branch locations.

## B. TECHNOLOGY ABSORPTION

### I. Efforts Toward Technology Absorption

Our Bank is emerging as one of the best digital financial institutions in the country and our customer base is growing rapidly. To better service our existing customers and on-board new ones we constantly innovate while adopting new technologies. The Bank is keen to deliver value-added services to retailers, online businesses and SMEs. In addition, the Bank focused on fulfilling the regulatory mandates. During FY 2022-23 various new initiatives were completed successfully, while existing systems were upgraded to their latest versions to support the growing needs of the Bank. Top Bank-wide projects completed during FY 2022-23 include:

#### Delivering efficiency through technology interventions

Technology interventions help capture relevant information, such as customer details, in a simple, time-efficient way. They also help manage documents to ensure that information is dealt with in a logical workflow and most importantly avoid duplication. The following initiatives enhance throughput:

**Digital Onboarding & Service Digitalisation:** The Digital onboarding and service digitisation project ensures a 24/7 availability of self-servicing channels for our customers and non-customers across various lines of businesses, this project saves time and improves customer satisfaction. Also, this project will simplify onboarding of new customers and servicing the existing ones on the go.

**Modernised Super-App:** IRIS by YES BANK our next-generation mobile banking platform built on a cloud-native stack, leverages synergies available from APIs, Microservices and workflows created for existing digital platforms. It is designed to handle upto 6,000 concurrent users.

**Robust Loan Origination System:** Lending being our prime focus on Retail assets growth this year, the Bank has initiated a process of upgrading its existing Loan origination platform for Retail Loans to a very robust and new-age platform (SFDC or

Salesforce) to service 604 locations covering 1200 branches has been implemented for personal loans. Implementation for other products is underway.

**Collection Modernisation:** The project enhances our core collection systems including upgrading of a new collection platform to meet the performance standards of the bank. The new system would help improve processes, increase efficiency, generate effective and timely MIS, enable dynamic strategic intervention, and bring cost benefits to the organisation.

**Trade Transformation Program:** An integrated Front-to-Back solution with a rich set of Trade Finance Products and Processes to create efficiencies in Trade Operations and drive better digital experience for Customers, the platform is supported with Open banking APIs, Persona centric offerings and is a highly configurable product processor.

**Robust Core Banking Platform Upgrade:** During the financial year we did a major upgrade on our core banking platform and its underlying components to the latest version. This upgrade drives impactful system behaviour and enhances customer experience.

**Co-lending/Direct Assignment:** Inorganic advances like direct assignment and co-lending are identified as the key enablers to achieve portfolio growth in Retail Assets for the bank. Our new platform will drive lower acquisition costs, low incremental OPEX and appropriately priced yields that are advantages of this initiative.

**Transaction Processing Hub (TPH):** TPH is a flexible solution that empowers the bank to formulate their payments services. TPH also hollows the core banking and consolidates all payment infrastructures into a central processing hub that supports multiple bank branches, in multiple countries, using multiple currencies, and in multiple languages.

**Partner Programs:** The key outcome of this program is Bank-As-A-Service (BaaS) which will lay the foundation for partner sales on Liabilities, Assets and Cards across both partner program and digital onboarding for the bank.

## Innovation

To meet the changing customer expectations, streamline internal processes, scale up for growth, the bank undertook the following transformative initiatives.

**Digital Market Places:** The product has been envisaged as a one-stop shop for Banking and Beyond Banking services generating CASA and helping cross-sell while establishing client stickiness, the platform offers multiple tech products at a single market place which can be consumed as part of our engagement with clients.

**Central Bank Digital Currency:** The Reserve Bank of India (RBI) is launching India's Central Bank Digital Currency referred to as Digital Rupee, denoted as e₹. Our Bank has played a pivotal role in RBI's vision to enable a digitally powered economy, and completed this project in no time, we also drove substantial users under this initiative.

**HR Tech Transformation:** The Bank has enhanced the existing Human Capital Management (HCM) system to a renewed, competitive, and modern platform. The new platform helps backfill the needs for employee engagement and mobility presenting a full-stack capability from hire to retire and employee engagement needs.

## Data Centre Migration

The migration of traditional data centres to a cloud server helps a bank increase security, boost data-handling capacity, and provide access to new delivery channels.

## Olympiad Migration:

90% of Infra Projects migrated with speed in last two months. This includes complex projects such as SFTP, Crypto, Azure Traffic Migration, Externally Dependent Projects Site-2-Site Connectivity, Partners. Contributed to Application migration in terms of Infra Readiness, Application build in few cases.

- As part of the migration 4000+ Servers/600+ databases/15000+ Firewall rules/400+ Routing changes were implemented.
- Infrastructure apps migration expedited moving 90% of application in last 2 months

### Onboarding new functionalities via Apps

App onboarding is the process of introducing users to the bank's mobile app, often with the goal of user retention and long-term engagement. It's a critical first impression that app users have with the brand

#### Financial Inclusion and Mobility:

Mobile enablement of services for the Microfinance business were critical for extending our coverage to a larger customer base across key pockets and all the way up to the last mile.

#### Small and Micro Enterprises:

The SME platform will cater to both existing and new customers with an onboarding journey, self-registration and enhanced functionalities. This platform will provide a complete ecosystem to users covering Digital Registration, Digital Transactions, Digital Servicing and Beyond Banking Solutions.

#### Government Agency Business Solution:

The platform offers to collect taxes and fees as a designated agency banker on behalf of the Central or State Government including its necessary reporting. Presently the readiness of the solution is demonstrated to integrate with two different states' tax portals and will be followed by other initiatives that onboard multiple states in the future.

#### Receipts, Expenditure, Advances and Transfers:

The solution encompasses a model to govern REAT (Receipts, Expenditure, Advances and Transfers) for Centrally Sponsored Schemes ("CSS") under Single Nodal Agency ("SNA") for every state.

#### Digital Supply Chain:

Our Digital Supply Chain Finance solution will deliver end-to-end automations for customers' journey taking care of the complete customer lifecycle.

#### SME Transformation:

SME transformation covers the scope of bringing all functionalities from onboarding to prelimit setting in one single system. This project enhances and builds new functionality in the system.

#### Low Code Platforms:

At YES BANK, we challenge ourselves and adopt latest platforms keeping the customers interest in mind. This initiative drives a modern functionality for tech built out, reducing the time to market for technology products.

#### Regulatory

The main purpose of a regulatory projects is to protect consumers, ensure the stability of the financial system, prevent financial crime and adhere to RBI's updated processes.

#### Account Aggregator:

The Account Aggregator framework, introduced by the RBI, aims to make financial data more accessible by creating data intermediaries. This important and regulated project was delivered in less than 3 months.

#### Early Warning Systems:

The RBI has mandated that all banks to track Early Warning Signals ("EWS") on an ongoing basis for their loan accounts. Thus, the Risk Management Committee with an aim to have access to real-time external information advised to undertake the EWS project immediately and fast-track the project to complete this within a year.

#### Environmental Impact Projects\*:

The Bank is conscious of the environmental impacts of its operations and has tied up with 4 data centers which are in process of embedding the following concepts:

- 1) 100% renewable energy consumption
- 2) Net Zero Emission across operations\*
- 3) Installation of Captive RE (Wind & Solar) Projects
- 4) Upgradation to sustainable data centre designs with Gas cooling systems, recyclable materials, reused evacuated soil and stones
- 5) Adoption of water conservation and recycling via using STP, sensor-based taps, controlled water pressure systems to avoid wastage



6) Obtaining ISO 50001 and LEED certification

\* Target taken for Net Zero emissions across Operations is by FY30 and across Value chain is by FY40 along with science-based target (SBTi) aligned to the 1.5-degree pathway (Paris Agreement) and in support of the UN SDGs

#### Award and Accolades:

The Bank won the following awards this year:

- 1) 18<sup>th</sup> Annual IBA's Banking Technology Conference & Awards 2023- Best AI/ML Bank & Runner up Best Technology
- 2) Bronze' award in the category - Excellence in HR Business Partnership Function at The Economic Times Human Capital Awards 2022

## II. Proposed New Projects

With Growth, Efficiency, Controls, Compliance & Talent as key tenets, the Bank has focused on delivering new projects under the Technology Transformation Office (TTO). The TTO office is under the direct supervision of the CIO and is sponsored by the Board of Directors as an initiative to drive technology performance of the bank. Nine (9) Transformational Tracks are currently underway to deliver benefits that include:

- Increase API Economy by monetising our services
- Frictionless onboarding across Bank Channels, Corporate Clients & Strategic Partners
- Scalable Cloud Native Platform that meets current & future demand
- Transparency to Manage/Monitor and Agility for faster time to market
- Reusable Soft assets across the Enterprise

#### Application Rationalisation & Modernisation:

Primary purpose of this track is to streamline, re-architect the existing application portfolio to make it more efficient, scalable and reduce complexity.

**API & Microservices Modernisation:** This track will modernise our existing API and Microservices landscape and hence enable faster time to market, improved scalability and observability.

**Enterprise Architecture:** Via the Enterprise architecture we are improving visibility, transparency and governance through standardisation and creation/roll-out of an Enterprise Architecture operating model, which forms the primary premise of this track.

**Enterprise Data Transformation:** Unified and Trusted source of data to enable business and regulatory reporting needs of the bank, pushing value adding/pertinent Next Best Actions/ Nudges to improve stickiness of our Existing to Bank customers.

**Cloud/Cloud Native Technology CoE:** Cloud Strategy, Operating Model and Business Office for faster time to market with continuous delivery and embedded security will be delivered as a part of this transformational track.

**PMO Transformation:** To achieve market leading positions in select business segments we operate in, ensuring predictability, delivery assurance, accountability & quality are a must which form the basis of this track.

**KPI & Metrics:** Clarity and transparency in performance measurement to promote objectivity in decision making. Benefits include metrics of success in place across tech to drive business growth, unified / consistent way to view progress report of IT across the organisation.

**Technology Talent Transformation:** Building and Enabling Technology Talent & Organisation of the future to deliver 2026 Technology objectives.

### 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
salesforce.com Singapore Pte Ltd	01-Nov-20	Yes	NA
Crowd Computing systems Inc dba WorkFusion	01-Jan-20	Yes	NA
Swift SCRL	30-Nov-20	Yes	NA
MUREX SOUTHEAST ASIA PTE LTD	15-Sep-20	Yes	NA
Adobe Systems Software Ireland LTD	14-Aug-20	Yes	NA
Informatica LLC	20-Dec-20	Yes	NA
Cornerstone OnDemand International Limited	01-Nov-21	Yes	NA
Insightsoftware, LLC	22-Dec-21	Yes	NA
MaxxTrader Systems Pte Ltd (Flextrade)	01-Nov-20	Yes	NA
Datametica Solutions Inc.	31-May-22	Yes	NA

\*The Bank as a part of its Business Strategy and enhancements of its technological capabilities has done multiple import of advanced technologies, the top 10 (based on the value of such technology) of the same is given hereinabove. The imported technologies have been fully absorbed, and there are continuous developments being done on these imports

### 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, 2023 the Bank earned ₹ 9,061.54 million and spent ₹ 7,821.88 million in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

For and on behalf of the Board of Directors

**YES BANK Limited**

Place: Mumbai  
Date: May 12, 2023

**Prashant Kumar**  
Managing Director & CEO  
(DIN: 07562475)

**Rama Subramaniam Gandhi**  
Chairperson  
(DIN: 03341633)

# Corporate Governance Report

(The Report on Corporate Governance for the year ended March 31, 2023)

In compliance with Regulation 34(3) and Clause (C) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), a Report on Corporate Governance for the Financial Year 2022-23 is presented below:

## 1. BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

YES BANK, under the Bank's new leadership successfully reconstructed the Bank's corporate governance accountability, monitoring and oversight and risk management structures. The Bank is committed to sound corporate governance practices based on conscience, openness, fairness, professionalism, and accountability in building confidence of its various stakeholders and thereby paving the way for its long-term success. The Bank is also committed to achieve highest standards of Corporate Governance as a good corporate citizen. Effective Corporate Governance is the interaction between various participants (Shareholders, Board of Directors, and Bank's Management) in shaping Bank's performance. Transparency and Accountability are the fundamental principles to sound Corporate Governance, which ensures that the organisation is managed and monitored in a responsible manner for "creating and sharing value".

With a view to bring in more transparency and accountability, the Bank upgrades its systems and policies regularly, to meet the requirements of dynamic and challenging business environment and to provide reasonable assurance with regard to maintaining of proper internal controls and monitoring of operations. YES BANK's Board is committed to adhere to highest standards of ethics, transparency, disclosures and governance and to protect the interest of all its stakeholders. The Board is focused on ensuring both Corporate Governance and Risk Controls of the Bank.

YES BANK's Corporate Governance Framework ensures that timely disclosures are made and accurate information is shared regarding the financial performance, operations as well as the leadership and governance of the Bank.

During the past years, certain Corporate Governance issues were raised by Stakeholders

and Regulators. Taking a positive note of such observations, the Bank has worked effortlessly to strengthen its governance and disclosure practices and promises to continue to be on the progressive path to nourish Corporate Governance practices to make it more effective from regulatory and market perspective.

## Environmental, Social & Governance Rating

Environmental, Social and Governance (ESG) performance refers to the non-financial performance of an organisation on crucial issues such as climate change, environmental sustainability, social responsibility, ethics, institutional frameworks, and transparency, amongst others.

Globally, there is an emerging awareness that an organisation's overall performance is linked to non-financial, yet financially material issues, which pose significant material risks to long term returns. This has led to the emergence of ESG, a set of non-financial metrics or parameters, which along with financial metrics, provide a holistic assessment of an organisation's impact on three fronts – profits, people and planet.

YES BANK views the emergence of ESG as an important development for the corporate sector both from an ethical and financial perspective. The Bank continuously strives to integrate ESG principles into its core business strategy, adopt best practices in ESG and align its business to global frameworks on sustainability such as the United Nation's Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the Principles for Responsible Banking (PRB). The Bank has set up a robust governance structure for integrating ESG considerations into its business by constituting an Executive level Sustainability Council chaired by the Managing Director & CEO which oversees the implementation of the Bank's sustainability agenda, sets long, medium & short-term sustainability targets and evaluates the Bank's ESG performance. The Bank further strengthened its ESG governance by including ESG in its a Board level Committee and renaming the same as CSR&ESG Committee to oversee the Sustainability Council and strengthen the Bank's ESG performance.

YES BANK continues to disclose its ESG performance in line with international benchmark disclosure frameworks such as Global Reporting

Initiative (GRI) Standards, Integrated Reporting (IR) Framework and Taskforce on Climate-related Financial disclosures (TCFD) recommendations. The Bank has consequently earned a leadership position in prestigious global ESG ratings.

- In FY 2022-23, YES BANK achieved the highest ESG score amongst Indian banks, in the S&P Global Corporate Sustainability Assessment (CSA) 2022. The Bank's absolute S&P Global ESG Score is 68 out of 100 in 2022. The S&P Global CSA is considered one of the most comprehensive and granular assessments of an organisation's ESG performance, taking into account up to 1,000 data points on an organisation's performance across topics such as Climate Strategy, Operational Eco-Efficiency, Financial Inclusion, Human Capital Development, Human Rights, Corporate Governance, Risk Management, amongst others.
- YES BANK has been awarded an 'A-' rating by Carbon Disclosure Project (CDP) for its 2022 Climate Change disclosures. Attaining this rating makes the Bank the highest rated Indian Bank for climate disclosures. YES BANK is one of only sixteen Indian companies (only Bank), to attain CDP's leadership band (A and A-) for climate change and water security. CDP annually rates global organisations across sectors, based on their climate-related performance. YES BANK earned the 'Leadership Band' (A/ A-) in 8 out of 12 climate-related disclosure categories, including climate governance, Scope 1, 2 and 3 emission reporting, emission reduction initiatives, risk management processes, portfolio impact, and climate targets, amongst others. The ratings are reported to be accessed by more than 680 institutional investor signatories of CDP, with assets totaling over USD 130 trillion.
- The Bank has been ranked 5<sup>th</sup> amongst 90 Retail & Specialised Banks in Emerging Markets, with an ESG Score of 57 out of 100 from Moody's ESG Solutions. Moody's ESG Solutions is a business unit of Moody's Corporation that serves the growing global demand for ESG and climate insights.

### Governance Structure

YES BANK's Corporate Governance Structure has been designed keeping in view of the regulatory and business requirements, 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.

## 2. BOARD OF DIRECTORS

### (a) Composition and Category of Directors:

During the Financial Year 2022-23, the Bank has witnessed changes in the constitution of the Board of Directors triggered off pursuant to YES Bank Limited Reconstruction Scheme, 2020 ("the Scheme") and fund-raising exercise.

The details of changes in the Board of Directors are given in the Directors' Report under the head "Directors & Key Managerial Personnel" and are also mentioned briefly below.

During the year, one of the Nominee Directors (Non-Executive) of State Bank of India ("SBI") resigned from the Board of Directors of the Bank, w.e.f. July 01, 2022, on account of his superannuation from the services of SBI. Further, at the Annual General Meeting ("AGM") held on July 15, 2022, the shareholders of the Bank had approved the constitution of the alternate Board of the reconstructed Bank in line with clause 5(7) of the Scheme and in accordance with the procedure laid down in the Bank's Memorandum and Articles of Association.

The alternate Board was constituted with Eleven Directors which included six Independent Directors, two Non-Executive Non-Independent Directors (Nominees of SBI) and two Directors appointed by the Reserve Bank of India ("RBI") as Additional Directors and a Director (MD & CEO). Further, pursuant to the constitution of alternate Board at the AGM, the Non- Executive Chairperson, two Non-Executive Directors appointed under the Scheme and One Nominee Director (Non-Executive) of SBI had demitted their office as Director(s) of the Bank on conclusion of the AGM.

### Changes in the Board of Directors post formation of alternate Board

On July 15, 2022, the newly appointed Board of Directors recommended to the Reserve Bank of India ("RBI") for its approval, appointment of Mr. Prashant Kumar as regular MD & CEO of the Bank for a period of 3 years. Whilst the Board approved a three-year term for Mr. Prashant Kumar as MD & CEO, it had also taken cognizance of the fact that the process of RBI approval for the same

could take some time, hence, in order to ensure non-disruptive transition without a break, the Board also decided to seek approval of RBI for appointment of Mr. Prashant Kumar as interim MD & CEO for a period of three months or until such time the RBI approves the three year term for Mr. Prashant Kumar as MD & CEO, whichever is earlier. Accordingly, RBI vide its letter dated July 15, 2022, had approved Mr. Prashant Kumar as the interim MD & CEO of the Bank for a period of 3 months and the said appointment was also approved by the shareholders at its Extra-Ordinary General Meeting ("EGM") held on August 24, 2022. Further, RBI vide its letter dated October 06, 2022, approved the appointment of Mr. Prashant Kumar as the MD & CEO of the Bank for a period of three (3) years effective from October 06, 2022, and the said appointment was also approved by the shareholders through postal ballot process on March 09, 2023.

Further, pursuant to RBI order dated July 20, 2022, two Additional Directors appointed by the RBI ceased to be Additional Directors of the Bank with effect from July 20, 2022. Further, out of the two said Directors, Mr. Rama Subramaniam Gandhi was then appointed as Additional Independent Director of the Bank on July 23, 2022, and was subsequently appointed as Independent Director by the shareholders at the EGM held on August 24, 2022. Further, the Board of Directors at its meeting held on July 29, 2022, recommended to RBI appointment of Mr. Rama Subramaniam Gandhi as Non-Executive (Part-time) Chairperson of the Bank and RBI vide its letter dated September 20, 2022, had approved the said appointment for a period of three (3) years effective from September 20, 2022, and the same was also, approved by the shareholders through Postal Ballot process on March 09, 2023.

Further, the Board of Directors of the Bank had also approved the recategorisation of two Non-Executive, Non-Independent Directors as Nominee Directors of State Bank of India with effect from August 25, 2022.

On September 20, 2022, the Board of Directors approved the appointment of Mr. Rajan Pental as an Additional Director from the date of receipt of approval of RBI as Executive Director and also, recommended to the RBI the appointment of Mr. Pental as an Executive Director of the Bank for a period of three (3) years. Thereafter, RBI vide its letter dated February 02, 2023, had approved the appointment of Mr. Rajan Pental as an Executive

Director (Additional Director on the Board) of the Bank for a period of 3 (three) years from the date of approval and the said appointment was also approved by shareholders through Postal Ballot process on March 09, 2023.

Further, on December 13, 2022, the Board of Directors had approved the appointment of Mr. Sunil Kaul, Nominated by CA Basque Investments and Ms. Shweta Jalan, nominated by Verventa Holdings Limited as Additional Directors and shareholders had approved their appointment as Non-Executive Directors through Postal Ballot process on March 09, 2023.

### **Board Composition as at March 31, 2023**

As at March 31, 2023, and as on date of this report, the Board of Directors comprises of thirteen Directors including One Non-Executive (Part-time) Chairperson (Independent Director), One Managing Director & Chief Executive Officer, One Executive Director, Six Independent Directors, Two Non-Executive Directors nominated by the State Bank of India and One Non-Executive Director nominated by CA Basque Investments and One Non-Executive Director nominated by Verventa Holdings Limited.

The Bank now has an optimum mix of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. The Board is chaired by an Independent Director and (Part-time) Chairperson and also has three Women Directors, two of them are Independent Directors and one is Non-Executive Director nominated by Verventa Holdings Limited. Accordingly, the composition of the Board is in conformity with the Articles of Association of the Bank, the applicable provisions the Companies Act, 2013, the Banking Regulation Act, 1949, SEBI LODR as amended, from time to time and other applicable laws.

All the Directors of the Bank are persons of eminence from diverse fields and bring long banking experience, professionalism, qualification, knowledge, skill sets, track record, integrity, expertise and diversity of experience as required in the Banking Business and thereby ensuring the best interest of the stakeholders and the Bank. The responsibilities of the Board inter-alia include ensuring adequate capitalisation, formulation of overall strategy for the Bank, taking new initiatives, formulating policies, performance review, monitoring of plans, pursuing of policies and procedures.

The details of the Board of Directors, their category and changes amongst them till date of the Report are as follows:

Sr. No.	Name & DIN of the Director	Category	Details of Change
1.	Mr. Prashant Kumar (DIN: 07562475)	Managing Director & Chief Executive Officer under "YES BANK Limited Reconstruction Scheme, 2020"	Appointed on March 26, 2020, and continued in this capacity till July 15, 2022.
		Director	Appointed on July 15, 2022 by shareholders
		Interim Managing Director & Chief Executive Officer	Appointment approved by RBI on July 15, 2022 and approved by shareholders on August 24, 2022
		Managing Director & Chief Executive Officer	Appointment approved by RBI on October 06, 2022 for a period of three years and approved by shareholders on March 09, 2023
2.	Mr. Rajan Pental (DIN: 08432870)	Executive Director	Appointment approved by RBI on February 02, 2023, for a period of three years
		Additional Director	Appointment effective from February 02, 2023 (approved by Board of Directors on September 20, 2022 effective from the date of receipt of approval of RBI as Executive Director)
		Director	Appointment approved by shareholders on March 09, 2023
		Executive Director	Appointment approved by shareholders on March 09, 2023, for a period of three years w.e.f. February 02, 2023
3.	Mr. Rama Subramaniam Gandhi (DIN: 03341633)	Additional Director appointed by Reserve Bank of India	Appointed on March 26, 2020, and ceased on July 20, 2022 pursuant to RBI order dated July 20, 2022
		Additional Independent Director	Appointed on July 23, 2022 by Board of Directors
		Independent Director	Appointment approved by shareholders on August 24, 2022
		Non-Executive Part-time Chairperson, Independent Director	Appointment effective from September 20, 2022 (approved by RBI on September 20, 2022 and approved by shareholders on March 09, 2023)
4.	Mr. Atul Malik (DIN: 07872539)	Non-Executive Director	Appointed on August 30, 2021 and demitted office on July 15, 2022
		Independent Director	Appointed on July 15, 2022 by shareholders
5.	Ms. Rekha Murthy (DIN: 07825183)	Non-Executive Director	Appointed on August 30, 2021 and demitted office on July 15, 2022
		Independent Director	Appointed on July 15, 2022 by shareholders
6.	Mr. Sharad Sharma (DIN: 05160057)	Non-Executive Director	Appointed on November 01, 2021 and demitted office on July 15, 2022
		Independent Director	Appointed on July 15, 2022 by shareholders
7.	Mr. Sandeep Tewari (DIN: 09623300)	Non-Executive, Non-Independent Director	Appointed on July 15, 2022 by shareholders
		Nominee Director	Recategorised as Nominee Director of State Bank of India with effect from August 25, 2022
8.	Mr. Thekepat Keshav Kumar (DIN: 09623382)	Non-Executive, Non-Independent Director	Appointed on July 15, 2022 by shareholders
		Nominee Director	Recategorised as Nominee Director of State Bank of India with effect from August 25, 2022
9.	Mr. Sadashiv Srinivas Rao (DIN: 01245772)	Independent Director	Appointed on July 15, 2022 by shareholders
10.	Ms. Nandita Gurjar (DIN: 01318683)	Independent Director	Appointed on July 15, 2022 by shareholders
11.	Mr. Sanjay Kumar Khemani (DIN: 00072812)	Independent Director	Appointed on July 15, 2022 by shareholders

Sr. No.	Name & DIN of the Director	Category	Details of Change
12.	Mr. Sunil Kaul (DIN: 05102910)	Additional Director Nominated by CA Basque Investments	Appointed on December 13, 2022 by Board of Directors
		Non-Executive Director	Appointment approved by shareholders on March 09, 2023
13.	Ms. Shweta Jalan (DIN: 00291675)	Additional Director Nominated by Verventa Holdings Limited	Appointed on December 13, 2022 by Board of Directors
		Non-Executive Director	Appointment approved by shareholders on March 09, 2023
14.	Mr. Ananth Narayan Gopalakrishnan (DIN: 05250681)	Additional Director appointed by Reserve Bank of India	Appointed on March 26, 2020 and ceased on July 20, 2022 pursuant to RBI order dated July 20, 2022
15.	Mr. Sunil Mehta (DIN: 00065343)	Non- Executive Chairperson	Appointed on March 26, 2020 and demitted office on July 15, 2022
16.	Mr. Mahesh Krishnamurti (DIN: 02205868)	Non-Executive Director	Appointed on March 26, 2020 and demitted office on July 15, 2022
17.	Mr. Atul Bheda (DIN: 03502424)	Non-Executive Director	Appointed on March 26, 2020 and demitted office on July 15, 2022
18.	Mr. Vadalur Subramanian Radhakrishnan (DIN: 08064705)	Nominee Director appointed by State Bank of India	Appointed on July 31, 2020 and demitted office on July 15, 2022
19.	Mr. Ravindra Pandey (DIN: 07188637)	Nominee Director appointed by State Bank of India	Appointed on November 03, 2020, and ceased with effect from July 01, 2022

**Note:** Board of Directors from April 01, 2022 till July 15, 2022:

With regard to qualification for being Director and composition of the Board, Clause 5(6) of the Scheme provides that "The appointment of the directors shall have effect, notwithstanding non-fulfilment of any requirement as to minimum shareholding, qualification, experience or any other condition, for being a director of the reconstructed bank." Further, Clause 5 (7) states that "The members of the Board, other than the additional directors (appointed by RBI), so appointed shall continue in office for a period of one year, or until an alternate Board is constituted by reconstructed bank in accordance with the procedure laid down in its memorandum and articles of association, whichever is later."

As per the clarification received from Reserve Bank of India, the Bank is still under Reconstruction Scheme ("Scheme") till confirmation is received from Reserve Bank of India that the Bank is out of Scheme. Hence, the provisions of SEBI LODR on Board composition with regard to minimum number of Independent Directors, Committee composition with respect to Nomination & Remuneration Committee, Audit Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee etc. are not applicable.

### Profile of Board of Directors:

#### Mr. Prashant Kumar

(Appointed as Managing Director & Chief Executive Officer of the Bank w.e.f. October 06, 2022. He was the MD & CEO from March 26, 2020 and continued in this capacity till July 15, 2022. He was appointed as an interim MD & CEO from July 15, 2022, till October 5, 2022).

Mr. Prashant Kumar was appointed as Managing Director & Chief Executive Officer of YES BANK post Reconstruction of the Bank in March 2020.

He has been re-appointed in October 2022 for a further period of 3 years. Under his leadership, the Bank embarked on transformation journey to emerge as a re-energised, re- capitalised and recalibrated organisation, while continuing to fulfill its unwavering commitment towards its customers and stakeholders. This has been one of the rare instances, where an Indian banking institution has been a real turnaround from the brink of collapse within an extremely short time frame of just one year.

Prior to joining YES BANK, Mr. Kumar was Deputy Managing Director & CFO of State Bank of India (SBI), India's largest Bank. He served SBI in various capacities and has a rich experience in diverse fields ranging from credit to human resources. He joined the SBI as Probationary Officer in 1983 and during his 34 years of service with the Bank, he has held various key assignments including Dy. Managing Director (HR) & Corporate Development Officer, Dy. Managing Director & Chief Operating Officer, Chief General Manager, Kolkata Circle, General Manager, Local Head Office Mumbai, DGM (Industrial relations) and faculty in Bank's Apex Training Institute – State Bank Academy, Gurugram.

He holds degree in Science and a law from Delhi University.

#### **Mr. Rama Subramaniam Gandhi**

*(Non-Executive Part-time Chairperson (Independent Director) w.e.f. September 20, 2022. He was also part of the Board of the Bank since May 14, 2019 having appointed by RBI as Additional Director and continued in this capacity till July 20, 2022. He was appointed as Additional Director (Independent) by the Bank on July 23, 2022 and appointed as Independent Director by the Shareholders on August 24, 2022.)*

Mr. Rama Subramaniam Gandhi is currently a financial sector policy expert and adviser. He advises fintech entities, investors and funds on subjects ranging from financial regulations and Indian economy.

Besides YES BANK, he is an independent director on the boards of several entities like financial market infrastructure, account aggregator, information utility and fintech. He is a prolific speaker and covers, including these areas, wide range of subjects.

He was a Deputy Governor of the Reserve Bank of India for three years from 2014 to 2017. He had been a seasoned and accomplished central banker for 37 years. He had a three year secondment to the Securities and Exchange Board of India (SEBI), the capital market regulator. He also held the charge of Director of the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.

He has been associated with various committees, working groups and task forces, both domestic and international. He was one of the initial members of the Monetary Policy Committee (MPC). He was

a member of the Basle Committee on Banking Supervision (BCBS) and the Committee on Global Financial Systems (CGFS), Basle.

He has been educated in India and abroad. He has a master's degree in Economics from the Annamalai University, in Tamil Nadu, India. He also has post graduate level certificates in Management Information System from The American University, Washington DC, USA and in Capital Market from the City University of New York, New York, USA. His technical education includes a certificate course in System Programming from the IBM Education, Sydney, Australia. He also has a certificate in Gandhian Thoughts from the Madurai University, Tamil Nadu, India.

#### **Mr. Atul Malik**

*(Appointed as an Independent Director of the Bank w.e.f. July 15, 2022. He was co-opted by the earlier Board on August 30, 2021 as Non-Executive Director (Independent)).*

Mr. Atul Malik is a veteran banker with more than 30 years of widespread experience.

Mr. Malik is currently a Senior Advisor to TPG for their financial services portfolio. He represents TPG as the Chairperson of UBC, one of the largest private sector banks in Sri Lanka.

Previously, he was a Senior Advisor to General Atlantic for their financial services portfolio.

Prior to joining General Atlantic, he was the CEO of Maritime Bank, one of the largest private banks in Vietnam, from 2012 to 2015 and a Senior Advisor to Asia Capital & Advisors, a boutique private equity firm, from 2011 to 2012.

Between 2007 and 2011, he was the Managing Director/Regional Head Asia – Private and Business Clients of Deutsche Bank with operations covering India, China and Vietnam. During this period, he was also a member of the DB Asia Pacific Executive Committee and the Global Private and Business Clients (PBC) Executive Committee, and was nominated as the Non-Executive Director of DB China Ltd.

During his 20-year-long career at Citibank that commenced in 1988 with Citibank India, Mr. Malik held a variety of senior roles., the last of which was as the Chief Executive Officer of Citibank Hong Kong (2004 to 2007).



Mr. Malik holds a Master's Degree in Business Administration from the Rice University, USA (1987) and B Tech Degree from IIT Bombay (1985).

#### **Ms. Rekha Murthy**

*(Appointed as an Independent Director of the Bank w.e.f. July 15, 2022. She was co-opted by the earlier Board on August 30, 2021 as Non-Executive Director (Independent)).*

Ms. Rekha Murthy has nearly 30 years of extensive global experience in the Technology sector across India, Asia Pacific and the USA. Her professional experience spans a successful career in cross-functional operations, P&L oversight, global sales, new market development, strategic marketing and distribution. She has held senior and country leadership roles at leading global companies such as IBM, Harvard Business School Publishing, Wyse Technology, SAP, PeopleSoft, Digital Equipment Corporation and Korn Ferry International.

She is currently engaged with start-ups in an advisory role and as a mentor.

Her areas of interest are building leadership and management skills, global strategy, business and technology transformation and change management. She has extensive experience in advising and providing technology solutions to large enterprises across industries.

Ms. Murthy is an alumna of Harvard Business School and Indian Institute of Management, Bangalore and holds a Bachelor's degree in Engineering, Electronics and Telecommunications from Bangalore University.

#### **Mr. Sharad Sharma**

*(Appointed as an Independent Director of the Bank w.e.f. July 15, 2022. He was co-opted by the earlier Board on November 1, 2021, as Non-Executive Director (Independent)).*

Mr. Sharad Sharma is a career banker with over forty years of banking experience. He was Managing Director of State Bank of Mysore, from August, 2012 to April, 2016, where he was seconded from State Bank of India (SBI). He joined Union Bank of India as Probationary Officer (PO) in 1975 before joining SBI in September, 1977.

He has held various assignments across all fields of a banking organisation, including exposure to international banking, when he was

posted in SBI's 100%-owned Canadian banking subsidiary. His major interest has been primarily in the corporate and retail banking (Personal & SME segments).

He headed the Project Finance SBU of State Bank of India from 2005 - 2006, with key focus on infrastructure and wholesale lending. He also headed SBI's Global Markets Unit during 2009 to 2010, dealing with the mid- and back-office functions / correspondent banking of the Bank's forex operations. He drove policy-level intervention in the Risk Management area for SBI, where he headed the Risk Management Department, during 2010 - 2011, at the corporate level. As Chief General Manager, Chennai he primarily drove the Personal and SME businesses for SBI's Tamil Nadu and Puducherry operations during 2011- 2012.

In his nearly 4 years' role as MD, State Bank of Mysore, his key learning had been managing the external environment, through interface with the regulatory, social sector and State & Central Govt agencies. As the functional head of the Bank's Board, he was directly responsible for maintaining a high level of corporate governance, policy formulation and improved P&L of the Bank.

Mr. Sharma had been active in the banking industry, being in the Managing Committee of the Indian Banks Association, besides the Governing Board of Indian Institute of Banking & Finance.

He has a Bachelor of Arts degree and is also a Certified Associate of the Indian Institute of Bankers. He has attended senior / top management level training programs at IIMs (Ahmedabad & Lucknow), Duke University and Booth School, University of Chicago.

#### **Mr. Sadashiv Srinivas Rao**

*(Appointed as an Independent Director w.e.f. July 15, 2022).*

Mr. Sadashiv S. Rao was the CEO of NIIF Infrastructure Finance Limited (NIIF IFL) - an NBFC lending to operating infrastructure projects till 30<sup>th</sup> June 2022. He has over 38 years of experience in project finance, investment banking and advisory services, of which, last 8 years has been at the helm at NIIF IFL as the founding CEO. His role included building the team, working with regulators to enable smooth growth, leveraging on relationship with large industrial groups and managing the sale of equity of the company to the sovereign

fund of India – NIIF, from the erstwhile owners – IDFC, 3 years ago.

As a responsible financial institution, NIIF IFL had rolled out an E&S policy that adhered to the IFC performance standards and wherever necessary, applicable Indian national, state and local E&S regulatory requirements.

Prior to NIIF IFL, Mr Rao has worked for 18 years, as one of the early senior employees of IDFC, where he last held the position of Chief Risk Officer. He has an unique experience of being in leadership roles, in both the business function as well as the risk function.

He has earlier worked with ICICI Limited in project finance, Hindustan Petroleum Corporation Limited and Procter & Gamble.

Mr. Rao served as an Independent Director and was the Chairperson of the Audit Committee of Indraprastha Gas Limited. He was also a Director on the Boards of Sharekhan Limited and Asset Reconstruction Company (India) Limited. In addition, he was a Director on several IDFC group companies including IDFC Alternatives Limited. – the private equity arm of IDFC and IDFC Securities Limited. – the investment bank and broking arm of IDFC.

He was a member of the committee constituted by Government of India, to set up Power Trading Corporation.

Mr. Rao holds an MBA from the Indian Institute of Management, Bangalore and a B.Tech. degree from Indian Institute of Technology, Kanpur.

#### **Ms. Nandita Gurjar**

*(Appointed as an Independent Director w.e.f. July 15, 2022).*

Ms. Nandita Gurjar is a Technologist turned HR professional. Ms. Gurjar's experience in mainstream IT spans software development, general management and consulting. She started her career at Wipro InfoTech in 1992 as a software programmer and handled multiple technical responsibilities, in various functions like Software Coding and Testing, Program documentation and Quality. She joined Infosys Limited in December 1999 to form the Learning & Development wing and set-up the Leadership institute. In 2007, she took over as the Global Head HR for Infosys Group, managing over 1,50,000 employees for the next seven years. In this role she led the Infosys People strategy and Employer branding across its global footprint.

Ms. Nandita was the member of World Economic Forum (WEF) – Global Advisory Council on New Models of Leadership. She has also been featured as “25 Most Powerful Professional Women in India” in Business Today magazine.

Currently, Ms. Nandita is an Independent Director in both listed and unlisted companies. She is an Advisor to Startups and consults with organisations on HR strategies and execution.

#### **Mr. Sanjay Kumar Khemani**

*(Appointed as an Independent Director w.e.f. July 15, 2022).*

Mr. Sanjay Kumar Khemani is Practicing Chartered Accountant and Senior Partner of M M Nissim & Co LLP and possesses 32 years of post-qualification experience in rendering professional services to Banking, Finance and Other Financial Services sector entities and advising on Corporate & Tax Law. He has rich experience of conducting Statutory Audit of reputed private sector banks, public sector banks, foreign banks, NBFCs, Insurance Companies, Mutual Funds, Schemes of National Pension Fund, Banking Correspondents and Stock brokers. He also has rich experience of conducting internal audit of Stock Exchange, Regulators, Primary Dealers, Custodians, Portfolio Managers, Depository Participants etc. He has been advising large Banks on direct and indirect taxation matters and also has experience of conducting investigative/forensic audits.

He was on the Board of Asset Reconstruction Company of India Limited as an independent director for 6 years. Presently he is serving on the Board of LIC Housing Finance Limited as an Independent Director.

#### **Mr. Sandeep Tewari**

*(Appointed as a Non-Executive Director w.e.f. July 15, 2022 and re-categorised as Nominee Director of State Bank of India w.e.f. August 25, 2022).*

Mr. Sandeep Tewari is a highly experienced advisor who excels in strategic governance, evaluation of Business Operations and Risk Management. He is a skilled, enterprising professional with extensive experience in financial services, accomplished in envisioning and realising strategy with sound executive leadership accomplishments. He has proven ability to evaluate and measure company's current performance and determine steps to enact long-term strategy.

**Key accomplishments:**

- Contributed immensely towards improving the Risk Management in the State Bank of India (SBI) specially Operational Risk, Financial Risk & Market Risk the Audit Department.
- Drove the adoption of data analytics for Risk Management in credit area of the SBI.
- Re-organised the business structure at SBI and launched digital banking records resulting in compelling advancements in performance.
- Expanded business portfolio by 150% while leading Corporate Account Group of State Bank of India wherein steered the Power & Infrastructure Portfolio.
- Transformed several audit systems by completely automating it and created a few data points to generate divergence through Core Banking Solutions. Through experience in audit, was able to substantially improve the risk management structure in SBI.

Empaneled as Assessor for interviewing candidates for Banking Board's Bureau for CMD, MD&ED level positions in the SBI.

**Mr. Thekepat Keshav Kumar**

*(Appointed as a Non-Executive Director w.e.f. July 15, 2022 and re-categorised as (Nominee Director of State Bank of India w.e.f. August 25, 2022)).*

Mr. Thekepat Keshav Kumar is a retired banking professional with more than 37 years of experience in the State Bank group, the largest banking group in India.

Mr. Kumar has worked in various facets of banking including retail, commercial credit, project finance, risk management, treasury etc. He joined the State Bank of Travancore in 1984 as a Probationary Officer.

Mr. Kumar worked at numerous retail branches as Branch Head, Credit Officer etc. He has rich experience including top executive roles.

He retired as the Deputy Managing Director of SBI in September 2021, seeking to continue contributing to the country's financial sector in Board/Advisory roles

**Mr. Sunil Kaul**

*(Appointed as a Non-Executive Director (Nominee of CA Basque Investments w.e.f. December 13, 2022)).*

Mr. Sunil Kaul has more than 30 years of experience across private equity, corporate and consumer banking. He is presently a Managing Director and

Financial Services sector lead for Carlyle in Asia. He also leads the Southeast Asia region for Carlyle and is based in Singapore.

In his association with Carlyle, Mr. Kaul is serving as a director on the board of PNB Housing Finance Limited and as a member of various board committees including the Risk Committee of PNB Housing Finance Limited. Further, he has served as a Board Member on SBI Cards and Payment Services Limited and India Infoline Finance Limited; he has also served as a director on the board and member of the Risk and Executive Committee of Ta Chong Bank in Taiwan; and as a board director and member of the Risk and Credit Committee of Diamond Bank, Carlyle's banking portfolio company in Nigeria.

Prior to joining Carlyle, Mr. Kaul served as President of Citibank Japan, covering the bank's corporate and retail banking operations. He concurrently served as Chairperson of Citi's credit card and consumer finance companies in Japan. He was also a member of Citi's Global Management Committee and Global Consumer Planning Group. In his earlier roles, he served as Head of Retail Banking for Citi in Asia Pacific.

Mr. Kaul earned his post-graduate degree in management from Indian Institute of Management in Bangalore and a Bachelor's degree in technology from Indian Institute of Technology in Bombay.

**Ms. Shweta Jalan**

*(Appointed as a Non Executive Director (Nominee of Verventa Holdings Limited w.e.f. December 13, 2022)).*

Ms. Shweta Jalan is Managing Partner and India Head for Advent International. Under her leadership, Advent International as on date manages over \$4 Billion assets under management in India with investments across sectors including financial services, technology, healthcare, pharmaceuticals, industrials and consumer goods. She has over 22 years of experience in private equity and buy outs. Prior to joining Advent, she was a Director at ICICI Venture where she worked for 9 years. Prior to joining ICICI Venture, she was working for a year at Ernst & Young in their corporate finance division.

She has expertise in the financial services sector and under her leadership Advent International has invested in ASK Investment Managers Limited (ASKIM) (India's largest portfolio management

services company); and Aditya Birla Capital Limited (a diversified asset management and lending company) and Kreditbee (A digital lending platform).

Over and above the financial services investments mentioned above she has led investments in Eureka Forbes Limited, Bharat Serums and Vaccines Limited, DFM Foods Limited, Modenik Lifestyle Private Limited, Cohance, Encora Technologies Private Limited, Manjushree Technopack Limited, QuEST Global, Suven Pharma and Crompton Greaves Consumer Electricals Limited. She also serves as a board member on many of these companies.

She holds an MBA in Finance and Marketing from the National Institute of Management, Calcutta (NIMC) and a B.Sc. in Economics from St Xavier's College, Calcutta.

#### Mr. Rajan Pental

*(Appointed as an Executive Director of the Bank w.e.f. February 2, 2023).*

Mr. Rajan Pental has been in YES BANK since November, 2015 and was responsible for galvanising the Retail Banking franchise for YES BANK. He carries a rich experience of 3 decades, in the financial services industry. Prior to approval of the Reserve Bank of India for his appointment as an Executive Director, Mr. Rajan Pental was designated as the Senior Group President & Global Head. He will continue to head the Retail Banking

at YES BANK. His portfolio includes Branch Banking – Retail, Affluent Banking, NRI Banking, Retail Assets, SME Banking, Rural & Agriculture Banking, Third Party Distribution, Marketing & Corporate Communication, Retail Collections, Retail Legal, Retail Service Excellence & Customer Experience, Liabilities Product Management, Credit Cards & Merchant Acquisition. He is also designated as Non-Executive Director of YES SECURITIES.

Mr. Rajan brings with him rich experience in Retail Banking and building new businesses. He has held positions of increasing responsibilities in HDFC Bank from Jun 2001 to Oct 2015 (14 years). In his last role he was designated as Business Head – Secured Loans & Rural Sales (Vehicle Loans – Retail & Wholesale). Earlier at HDFC Bank, Mr. Rajan was instrumental in initiating, setting up and institutionalising the Retail Assets Business for the HDFC Bank in the Northern region. He has worked extensively in creating and executing the Sales and Distribution strategy of these businesses since inception at HDFC Bank.

Mr. Rajan has been associated with Tata Finance, Esanda Finance & Leasing Ltd (ANZ Grindlays Bank Ltd), Escorts Limited and Industrial Chemicals Ltd. He is a B.Sc. from Magadh University, Patna (1986) and has done his MBA from Indian Institute of Business Management (1988). He has also completed an Executive Programme for Development of Strategic Skills from IIM Calcutta in 2004-05.

#### (b) Board Meetings, Attendance & Committee Membership:

During the FY 2022-23, sixteen Meetings of the Board were held during the Financial Year ended March 31, 2023, i.e. April 30, 2022, May 06, 2022, May 25, 2022, June 03, 2022, June 28, 2022, July 15, 2022, July 23, 2022, July 29, 2022, September 20, 2022, October 22, 2022, December 09, 2022, December 13, 2022, December 29, 2022, January 21, 2023, January 22, 2023 and March 10, 2023. The maximum gap between any two Board meetings was less than one hundred and twenty (120) days. All recommendations made by the Committees of the Board were duly accepted by the Board.

The composition 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)/Chairpersonship(s) of each Director as at March 31, 2023 are as under:

Name	No. of Board meetings attended/ held during their Tenure	Attendance at AGM held on July 15, 2022	Number of Directorship in unlisted companies		Number of Committee memberships (Chairpersonship) in other companies*	Directorship in other Listed Entity & Category
			Of Indian Public Limited Companies	Of other Companies#		
Mr. Rama Subramaniam Gandhi <sup>1</sup>	14/15	Present	4	4	3(0)	0
Mr. Atul Malik <sup>2&amp;3</sup>	15/16	Present	0	2	-	0
Ms. Rekha Murthy <sup>2&amp;3</sup>	16/16	Present	0	0	-	0
Mr. Sharad Sharma <sup>2&amp;3</sup>	16/16	Present	1	1	1(0)	0

Name	No. of Board meetings attended/ held during their Tenure	Attendance at AGM held on July 15, 2022	Number of Directorship in unlisted companies		Number of Committee memberships (Chairpersonship) in other companies*	Directorship in other Listed Entity & Category
			Of Indian Public Limited Companies	Of other Companies#		
Mr. Sandeep Tewari <sup>3</sup>	11/11	NA	0	0	-	0
Mr. Thekepat Keshav Kumar <sup>3</sup>	11/11	NA	0	0	-	0
Mr. Sadashiv Srinivas Rao <sup>3</sup>	11/11	NA	0	1	-	0
Ms. Nandita Gurjar <sup>3</sup>	8/11	NA	0	0	2(0)	Galaxy Surfactants Limited – Independent Director Birlasoft Limited - – Independent Director
Mr. Sanjay Kumar Khemani <sup>3</sup>	9/11	NA	0	1	1(0)	LIC Housing Finance Limited - Independent Director
Mr. Sunil Kaul <sup>6</sup>	3/4	NA	0	3	1(0)	PNB Housing Finance Limited - Non-Executive Nominee Director
Ms. Shweta Jalan <sup>6</sup>	3/4	NA	4	4	0	0
Mr. Prashant Kumar <sup>2&amp;3</sup>	16/16	Present	1	0	0	0
Mr. Rajan Pental <sup>7</sup>	1/1	NA	1	0	0	0
Mr. Sunil Mehta <sup>2</sup>	5/5	Present	-	-	-	-
Mr. Mahesh Krishnamurti <sup>2</sup>	5/5	Present	-	-	-	-
Mr. Atul Bheda <sup>2</sup>	5/5	Present	-	-	-	-
Mr. Ananth Narayan Gopalakrishnan <sup>5</sup>	6/6	Present	-	-	-	-
Mr. Vadalur Subramanian Radhakrishnan <sup>2</sup>	2/5	Present	-	-	-	-
Mr. Ravindra Pandey <sup>4</sup>	4/5	NA	-	-	-	-

#Includes directorship(s) held in Foreign Companies, Private Limited Companies and Companies under Section 8 of the Companies Act, 2013.

\*Includes membership(s) of Audit Committee and Stakeholders Relationship Committee of all Indian Public Limited Companies; figures in brackets indicate number of Committee Chairpersonship(s) as per Regulation 26 of the SEBI LODR.

#### Notes:

1. Ceased to be Director w.e.f. July 20, 2022 and was subsequently re-appointed on the Board of the Bank, as an Additional Independent Director, w.e.f. July 23, 2022.
2. Ceased to be Director of the Bank, on constitution of alternate Board, w.e.f. July 15, 2022.
3. Appointed on the Board of the Bank, as a part of the alternate Board of the Bank, w.e.f. July 15, 2022,
4. Ceased to be a Director the Bank, w.e.f. July 1, 2022.
5. Ceased to be Director the Bank, w.e.f. July 20, 2022
6. Appointed on the Board of the Bank, as Additional Director, w.e.f. December 13, 2022.
7. Appointed on the Board of the Bank, as Director, w.e.f. February 02, 2023.
8. None of the Independent Directors of the Bank serve as an Independent Director in more than seven listed companies or as a Whole-Time Director in any listed company.
9. None of the Directors on the Board is a member of more than ten (10) Committees and Chairperson of more than five (5) Committees across all public companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them in other companies.
10. During the FY 2022-23, Due to business exigencies, eleven (11) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Board meetings.
11. Quorum was present at all the Board Meetings.

**(c) Disclosure of relationships between Directors inter-se:**

None of the present Directors are having any inter-se relationship and each one of them is Independent of each other, except that Nominee Directors of State Bank of India represent the same organisation.

**(d) Number of shares and convertible instruments held by Non-Executive Directors:**

The details of shareholding of Non-Executive Directors as at March 31, 2023 is as under:

Sr. No.	Name of the Director	No. of Shares
1.	Mr. Atul Malik	0
2.	Ms. Rekha Murthy	0
3.	Mr. Sharad Sharma	0
4.	Mr. Sadashiv Srinivas Rao	1000
5.	Mr. Sanjay Kumar Khemani	0
6.	Mr. Rama Subramaniam Gandhi	150000
7.	Ms. Nandita Gurjar	52500
8.	Mr. Sandeep Tewari	0
9.	Mr. Thekepat Keshav Kumar	0
10.	Mr. Sunil Kaul	0
11.	Ms. Shweta Jalan	0

None of the Non-Executive Directors hold any convertible instrument of the Bank as at March 31, 2023.

**(e) Familiarisation Program for Independent Director:**

In compliance with the requirement of the SEBI LODR, during FY 2022-23, the Bank had conducted various familiarisation programmes covering matters as specified under Regulation 25(7) of the SEBI LODR, for all the Non-Executive Directors and Independent Directors of the Bank, as regards their roles, rights, responsibilities in the Bank, nature of the Banking Industry, Business Model,

The Board 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. The details in this regard with respect to each Director is given under:

Name of the Director	Specialised Knowledge / Practical Experience / Skills / Expertise / Competencies
Mr. Prashant Kumar	Banking, Finance, Law, Human Resources, Agriculture & Rural Economy and Strategy.
Mr. Rajan Pental	Agriculture and Rural Economy, Banking, Human Resources, Risk Management and Business Management.
Mr. Rama Subramaniam Gandhi	Banking, Economics, Finance, Information Technology, Payment & Settlement System, Risk Management and Financial Markets.
Mr. Atul Malik	Banking, Finance, Risk Management, Technology and Business Management.

Financial Management, Risk Management System and Technology Architecture of the Bank for the purpose of contributing significantly towards the growth of the Bank so as to help them contribute significantly during the deliberations in the Board/ Committee meetings.

During FY 2022-23, Certification programme by the Institute of Development and Research in Banking Technology ('IDRBT'), established by Reserve Bank of India was attended by four (4) Directors of the Bank which covered aspects relating to Principles of Cyber Security, IT/Cyber Security Governance, IT/Cyber Risk, Cyber Risk Mitigation, Cyber Security Operation Centre, Cyber Insurance, Monitoring Cyber Security Preparedness at the Board Level and Internal Audit framework.

Further, the Bank had arranged training cum Induction programme for Non-Executive Directors and Independent Directors appointed during the year to familiarise them with various departments and functions of the Bank and the activities performed by them for growth of the Bank.

The programmes undertaken for familiarising the Non-Executive Directors and Independent Directors are hosted on the website of the Bank and the web link thereto is <https://www.yesbank.in/about-us/corporate-governance>.

**(f) A chart or a matrix setting out the skills/ expertise/competence of the Board of Directors:**

The Board of Directors have identified the following core skills / expertise / competencies / special knowledge or practical experience, as required in the context of the Bank's business and the sector(s) for it to function effectively. The same are in line with the relevant provisions of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India from time to time.

Name of the Director	Specialised Knowledge / Practical Experience / Skills / Expertise / Competencies
Ms. Rekha Murthy	Information Technology, Human Resources, Business Management, Small-Scale Industry and Marketing.
Mr. Sharad Sharma	Risk Management, Banking, Small Scale Industry and Global Markets/ Forex Operations.
Mr. Sandeep Tewari	Risk Management & Compliance, HR Management & Development, Banking, Business Development, Profit Centre Management, Cash Management, Internal Audit, Customer Relationship Management, Cost Optimisation, Reporting & Presentations and Supervising & Counselling.
Mr. Thekepat Keshav Kumar	Risk Management, Human Resources, Agriculture and Rural Economy, Small Scale Industry, Banking, Credit, Treasury, Planning and Development and Stressed Asset Management.
Mr. Sadashiv Srinivas Rao	Finance, Business Management, Risk Management, Project Finance, Investment Banking and Advisory Services.
Ms. Nandita Gurjar	Information Technology & Human Resources, General Management and Consulting
Mr. Sanjay Kumar Khemani	Accountancy & Finance, Agriculture and Rural Economy, Risk Management, Law, Banking & Finance, Information Technology, Business management, Audit and Corporate & Tax Law.
Mr. Sunil Kaul	Banking and Finance.
Ms. Shweta Jalan	Economics, Private Equity, Investment Management and Corporate Finance.

**(g) Confirmation about Independence:**

The Bank has received declarations from the Independent Directors that they meet the criteria of Independence laid down under Section 149 of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulations 16(1)(b) & 25 of the SEBI LODR. The Independent Directors have also confirmed that they have registered themselves with the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs. Further, during the year there has been no change in the circumstances affecting their status as Independent Directors of the Bank.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfil the conditions of independence specified in the SEBI LODR and the Act and are independent of the management of the Company.

**(h) Terms and Conditions for Appointment of Independent Directors:**

A formal Letter of Appointment is addressed to the Independent Director(s) at the time of their appointment/re-appointment. General terms and conditions of appointment/re-appointment, issued to the Independent Directors is available on [https://www.yesbank.in/pdf?name=independentdirectors\\_pdf2.pdf](https://www.yesbank.in/pdf?name=independentdirectors_pdf2.pdf)

**(i) Policy on Appointment of Directors:**

The Bank has a Board approved 'Policy on Board Diversity and Fit & Proper Criteria and Succession Planning' ('Fit & Proper Policy') which comprises of diversity of Board Composition, succession

planning and the detailed process for appointment of Directors including the required skill sets, experience, qualification, etc. as required under the Companies Act, 2013, SEBI LODR, the Banking Regulation Act, 1949 and other regulatory and business requirements. The Nomination & Remuneration Committee is being guided by the said policy while recommending appointment of Directors. As per the Fit & Proper Policy of the Bank, 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.

**(j) Criteria for Appointment of Independent Directors:**

The Nomination & Remuneration Committee while considering the proposal for appointment of Independent Directors considers the criteria of independence as prescribed under the Companies Act, 2013 and SEBI LODR.

**(k) Information Supplied / Available to the Board:**

The Directors are presented with important/critical information on the operations of the Bank as well as information which requires deliberations at the highest level. The Board has complete access to all the relevant information within the Bank and also has access to the Top Management of the Bank and any additional information to make informed

and timely decisions. All Board and Committee meetings are governed by structured Agenda Notes which are backed by comprehensive background papers along with relevant annexures.

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 at the meeting.

The Board was presented with the information on various important matters of capital raising activity, operations, risk management and business, new initiatives in business, budgets, financial results, update on corporate social responsibility activities, Environmental Social and Governance, minutes of Board and Committees of the Board, appointment and remuneration of the Senior Management, appointment/ cessation of Key Managerial Personnel, 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 of SEBI and RBI Regulations/ circulars, etc., and other matters which are required to be placed before the Board in terms of the Companies Act, 2013, SEBI LODR and Theme Based Review agenda as prescribed by RBI, etc. The Board and other Committees also approve various business proposals and regulatory approvals through circulations.

**(l) Post Meeting Communication / Follow up System:**

The Bank has an effective post meeting follow up procedure. It has a mechanism to track important decisions taken at the Board/Committee meetings till the closure of such decisions. The Bank has put in place a system viz. Action Tracker System to track actionable emanating from Board/Board level Committee meetings. Action Taken Report on the decisions taken in a meeting is placed at the succeeding meeting(s) of the Board/Board Level Committees. A report on ongoing actionable (Action Taken Report) are being placed before the meeting of the Board/Committees of the Board from time to time.

**(m) Succession Planning:**

The Bank has deployed a structured and robust framework for identifying, building, and

developing talent pipeline of successors in key organisational roles. The successors are identified using assessment centre methodology comprising of scientifically valid tools like psychometric assessment, behavioral event interview, case study analysis and 360-degree feedback. Developmental inputs are provided to build leadership capabilities and strengthen internal talent pipeline. The succession list is reviewed periodically to keep it current and contextual for any exclusions/inclusions as deemed necessary.

**(n) Directors and Officers Insurance ('D&O'):**

In line with the requirements of Regulation 25(10) of the SEBI LODR, the Bank has taken D & O Insurance for all its Directors and Officers for such quantum and for such risks as determined appropriate by the Board of Directors.

**3. COMMITTEES:**

In order to focus on strategic and key financial issues, the Bank is required to have certain Board Level Committees. The Companies Act, 2013, SEBI LODR and Banking Regulation Act, 1949 mandates for constitution of certain Board Level Committees. The Bank, post reconstruction scheme has Ten Board Level Committees constituted in compliance with the aforesaid regulatory requirements and as per the requirement of the business with specified terms of reference of each of the Committees. The Board Level 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. All the Committees were re-constituted during the year due to Co-option of Non - Executive Directors on the Board of Bank pursuant to the YBL Reconstruction Scheme.

These Board Level Committees play a key role in the governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Terms of Reference, which provides for the scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairperson of respective Committee updates the Board regarding the discussions held and decisions taken at the Committee Meeting.



Mr. Shivanand R. Shettigar, Company Secretary, acts as the Secretary to all the Board Level Committees.

The Ten Board Level Committees are briefly described below:

**a) Audit Committee:**

**3.a.1 Composition, meetings and attendance during the year:**

The Audit Committee of the Bank presently comprises five members, viz., Mr. Sanjay Kumar Khemani

(Chairperson), Mr. Atul Malik, Ms. Rekha Murthy, Mr. Sharad Sharma and Mr. Sandeep Tewari.

During the FY 2022-23, Eight Meetings of Audit Committee were held on April 29, 2022, July 22, 2022 (includes adjourned meeting held on July 28, 2022), October 21, 2022, November 22, 2022, December 15, 2022, January 20, 2023 (including adjourned meeting held on January 21, 2023), February 17, 2023 and March 06, 2023 with an interval of less than one hundred and twenty days between two consecutive meetings.

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Membership Cessation	Attended / Eligible to attend <sup>@</sup>
Mr. Atul Bheda	Chairperson	Non-Executive Director	March 26, 2020	July 15, 2022	1/1
Mr. Rama Subramaniam Gandhi	Member	Additional Director appointed by Reserve Bank of India	March 26, 2020	July 15, 2022	1/1
			July 15, 2022	July 20, 2022	0/0
Mr. Ananth Narayan Gopalakrishnan	Member	Additional Director appointed by Reserve Bank of India	March 26, 2020	July 15, 2022	1/1
			July 15, 2022	July 20, 2022	0/0
Mr. Atul Malik	Member	Non-Executive Director	September 13, 2021	July 15, 2022	1/1
		Independent Director	July 15, 2022	-	7/7
Ms. Rekha Murthy	Member	Non-Executive Director	September 13, 2021	July 15, 2022	1/1
		Independent Director	July 15, 2022	-	7/7
Mr. Sharad Sharma	Member	Non-Executive Director	November 23, 2021	July 15, 2022	1/1
		Independent Director	July 15, 2022	-	7/7
Mr. Sanjay Kumar Khemani	Chairperson	Independent Director	July 15, 2022	-	7/7
Mr. Sandeep Tewari*	Member	Nominee Director appointed by State Bank of India	July 29, 2022	-	6/6

\* Mr. Sandeep Tewari was appointed as a Non-Executive Director w.e.f. July 15, 2022 and was re-categorised as Nominee Director of SBI w.e.f. August 25, 2022.

@Number of meetings held during the tenure of the Director as a Member/Chairperson of the Committee

**Notes:**

- Pursuant to the approval of the shareholders of the Bank at the Annual General Meeting held on July 15, 2022, Alternate Board of the Bank was constituted on July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned, the Audit Committee of the Bank was reconstituted on July 15, 2022. Further, the Committee was last reconstituted on July 29, 2022.
- As per RBI Notification No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, Mr. Rama Subramaniam Gandhi, Chairperson of the Board is not a member of Audit Committee and Mr. Sanjay Kumar Khemani, Chairperson of the Audit Committee is not a member of Board Credit Committee of the Bank.
- The Chief Financial Officer is an invitee for all meetings of the Audit Committee.

- d. *Mr. Shivanand R. Shettigar, Company Secretary acts as Secretary to the Audit Committee.*
  - e. *All members of the Audit Committee have ability to read and understand financial statements and Chairperson of the Committee possesses requisite accounting and financial management expertise.*
  - f. *The Chief Internal Auditor attends the Audit Committee Meetings and briefs the Committee on all the points covered in the Internal Audit Report as well as on the other related issues that come up during the discussions.*
  - g. *During the year under review, the representatives of the Statutory Auditors have attended all the Audit Committee meetings, where Financial Results were approved.*
  - h. *At the last AGM, Mr. Atul Bheda, the erstwhile Chairperson of the Audit Committee, was present.*
  - i. *The quorum was present at all the meetings of the Audit Committee held during the FY 2022-23.*
  - j. *In order to get the inputs and opinions of the Statutory Auditors, the Committee also held four one-to-one meetings on April 29, 2022, July 22, 2022, October 21, 2022 and January 20, 2023 with the Statutory Auditors without the presence of the management representatives.*
  - k. *During the FY 2022-23, Due to business exigencies, four (4) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Board meetings.*
- 5) To appoint and determine the scope of the Concurrent auditors;
  - 6) To review 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;
  - 7) Review of internal audit reports relating to internal control weaknesses and review important concurrent audit findings;
  - 8) To evaluate the adequacy and operational effectiveness of Internal Financial Control (IFC) of the Bank and Subsidiaries and also to evaluate Risk Management Systems of the Bank;
  - 9) 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 IFC;
  - 10) To engage with internal and external auditors and others on comments and observations on IFC;
  - 11) To review the results / financial statements (quarterly, half yearly, annual) standalone as well as consolidated along with the Auditors' report thereon and analyse 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. modified opinion(s) in the draft audit report; and
    - i. Company's earnings press releases, as well as financial information and earnings guidance, if any provided to analysts and rating agencies

### 3.a.2 Terms of Reference:

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI LODR. The terms of reference of the Audit Committee include the following:

- 1) 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;
- 2) To oversee the Bank's financial reporting process and disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible;
- 3) To create an open avenue for communication between the Board of Directors, Internal Auditors, Statutory Auditors and all other Auditors;
- 4) To recommend the appointment including terms of appointment and removal of statutory, internal, concurrent, tax and secretarial Auditors, fixation of audit fees and also to approve payment for other services;

- 12) To review Annual Tax Audit statement and auditors' report thereon;
- 13) To review Annual Long Form Audit Report as prepared by the Statutory Auditors along with Management response and updates on closure of the same;
- 14) To oversee the appointment of legal auditor and review the information in respect of legal audits of title deeds and other documents for credit exposure of ₹ 5 crore and above;
- 15) To review and approve transactions including material related party transactions with related parties including omnibus transactions and any subsequent material modification(s) thereto;
- 16) To review and approve related party transaction to which the subsidiary of the Bank is a party but the Bank is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Bank;
- 17) To review the financial statements, in particular, the investments made by the unlisted subsidiary;
- 18) 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;
- 19) To approve and recommend to the Board the appointment of Chief Financial Officer ("CFO") after assessing the qualifications, experience & background, etc. of the candidate;
- 20) To review the Whistle Blower policy and Vigil Mechanism for Directors and Employees and functioning of the Whistle Blower Mechanism;
- 21) To deal with Whistle Blower complaints in time bound manner;
- 22) To review and monitor Vigilance function, its policies and implementation of Vigilance Framework of the Bank;
- 23) To review and monitor compliance function, its policies and Implementation of Compliance Framework of the Bank;
- 24) Review of Bank's Compliance in respect to Reports (Risk Assessment Report, Inspection Report, Major Area of Non Compliance and Risk Mitigation Plan) issued by RBI under Risk Based Supervision;
- 25) To review the implementation of RBI guidelines on KYC / AML and approve the changes in KYC Policy;
- 26) To review and approve the changes in Risk and Compliance Culture Policy and oversight on fostering the Compliance culture in the Bank;
- 27) To review Bank's Compliance to various Inspection Reports issued by various regulators (RBI, SEBI, NSDL, CDSL etc.);
- 28) To review and approve the Conflict of Interest Policy with respect to Merchant Banking, Banker to Issue, Depository Participant, Custodian of Securities and Designated Depository Participants in line with the SEBI Circular dated August 27, 2013;
- 29) Review of compliance on directives issued by ACB / Board / RBI;
- 30) Review report on compliance of corporate governance requirements as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other guidelines issued by SEBI from time to time;
- 31) Review report on compliance of regulatory requirement of Regulators in Host Countries in respect of overseas branches;
- 32) To institute special investigation teams with complete access to all records, information and personnel of the Bank, if necessary;
- 33) To review all cases of frauds and attempted frauds involving amounts of ₹ 1 crore and above;
- 34) To review the minutes of the quarterly, Apex Management Committee and Staff Accountability Committee meetings;
- 35) To investigate any activity within its terms of reference or in relation to the items specified or referred to it by the Board / Board Committee, seek information from any employee, obtain outside legal or other professional advice from external sources and secure attendance of outsiders with relevant expertise, if it considers necessary and shall

- have full access to information contained in the records of the Bank;
- 36) To review utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
  - 37) To review and monitor the auditor's independence and performance, effectiveness of audit process;
  - 38) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 39) Valuation of undertakings or assets of the Bank, wherever necessary;
  - 40) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - 41) To review, at least once in a financial year, compliance of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT") and to verify that the systems for related internal control are adequate and are operating effectively;
  - 42) To review on quarterly basis reports provided by compliance officer on violations and remedial/punitive action for the same;
  - 43) To review the system of storage and retrieval, display or printout of books of accounts maintained in electronic mode during the required period under law;
  - 44) Review of housekeeping - particularly balancing and reconciliation of long outstanding entries Suspense / Sundries / Drafts payable / paid / Funds in Transit / Clearing / SGL / CSGL accounts;
  - 45) Review of report on Revenue leakage detected by Internal / External Auditors and status of recovery thereof - reasons for undercharges and steps taken to prevent revenue leakage;
  - 46) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - 47) To review and approve the Internal Audit Policy (IAP) and amendments thereto (IS Audit policy and scope of Credit Audit and Loan Review Mechanism embedded in the IAP) for undertaking risk-based internal audit and to review and approve risk based Internal Audit plan;
  - 48) Review of Internal Audit plan and status of achievement thereof;
  - 49) Review System Audit as per RBI Internal Control Guidelines;
  - 50) To approve the concurrent audit policy;
  - 51) KYC / AML Guidelines - Review of compliance of concurrent audit reports with respect to adherence to KYC / AML guidelines at branches;
  - 52) Review of exposure to sensitive sectors i.e. capital market & real estate;
  - 53) Review of information on violations by various functionaries in the exercise of discretionary powers;
  - 54) Review of information in respect of equity share holdings in borrower companies more than 30% of their paid up capital;
  - 55) Review report on fraudulent transactions relating to Internet Banking through phishing attacks pointing out in particular the deficiencies in the existing systems and steps taken by the IT department to prevent such cases;
  - 56) Review of the Bank's financial management policies;
  - 57) Review penalties imposed / penal action taken against Bank under various laws and statutes and action taken for corrective measures;
  - 58) Review the management discussion and analysis of financial condition and results of operations;
  - 59) Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - 60) Scrutiny of inter-corporate loans and investments;
  - 61) To meet Credit Rating Agencies at least once in a year, to discuss issues including related

- party transactions, internal financial control and other material disclosures made by the management, which have a bearing on rating of the listed NCDs;
- 62) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Bank and its shareholders;
  - 63) To discuss with internal auditors of any significant findings and follow up there on;
  - 64) To review the appointment, removal and terms of remuneration of the chief internal auditor;
  - 65) To review update on Legal cases filed against the Bank;
  - 66) To review Comprehensive report on Credit Card Operations;
  - 67) To review the compliance of the conditions in RBI circular on lending by banks to InvITs;
  - 68) To review ageing analysis of entries pending reconciliation with outsourced vendors;

- 69) 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 and also to review the findings by regulatory agencies.

#### b) Nomination & Remuneration Committee:

##### 3.b.1 Composition, meetings and attendance during the year:

The Nomination & Remuneration Committee of the Bank presently comprises six members, viz., Ms. Nandita Gurjar (Chairperson), Mr. Atul Malik, Ms. Rekha Murthy, Mr. Sandeep Tewari, Mr. Rama Subramaniam Gandhi and Ms. Shweta Jalan.

During FY 2022-23, Eleven Meetings of Nomination & Remuneration Committee were held on April 27, 2022, May 04, 2022, June 03, 2022, July 15, 2022, July 20, 2022, July 23, 2022, July 28, 2022, October 19, 2022, November 24, 2022, December 09, 2022 and January 19, 2023.

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/Eligible to attend <sup>@</sup>
Mr. Mahesh Krishnamurti	Chairperson	Non-Executive Director	March 26, 2020	July 15, 2022	3/3
Mr. Sunil Mehta	Member	Non-Executive Director	March 26, 2020	July 15, 2022	3/3
Mr. Atul Bheda	Member	Non-Executive Director	March 26, 2020	July 15, 2022	3/3
Mr. Ravindra Pandey	Member	Nominee Director of State Bank of India	November 12, 2020	July 01, 2022	1/3
Ms. Rekha Murthy	Member	Non-Executive Director Independent Director	September 13, 2021 July 15, 2022	July 15, 2022 -	10/11
Ms. Nandita Gurjar	Chairperson	Independent Director	July 15, 2022	-	7/8
Mr. Atul Malik	Member	Independent Director	July 15, 2022	-	7/8
Mr. Sandeep Tewari*	Member	Nominee Director of State Bank of India	July 15, 2022	-	8/8
Mr. Rama Subramaniam Gandhi	Member	Independent Director	July 29, 2022	-	4/4
Mr. Sharad Sharma	Member	Independent Director	December 13, 2022	February 15, 2023	1/1
Mr. Sunil Kaul	Member	Non-Executive Director	December 13, 2022	February 15, 2023	1/1
Ms. Shweta Jalan	Member	Non-Executive Director	December 13, 2022	-	1/1

\* Mr. Sandeep Tewari was appointed as Non-Executive Director w.e.f. July 15, 2022 and was re-categorised as Nominee Director of SBI w.e.f. August 25, 2022.

@ Number of meetings held during the tenure of the Director as a Member/Chairperson of the Committee.

#### Notes:

- a. Pursuant to the approval of the shareholders of the Bank at the Annual General Meeting held on July 15, 2022, Alternate Board of the Bank was constituted on July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned, the Audit Committee of the Bank was reconstituted on July 15, 2022.

- b. *As per RBI Notification No. RBI/2021-22/24 DOR. GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, at least one member of Risk Management Committee should be a member of Nomination & Remuneration Committee. Accordingly, two members of Risk Management Committee of the Bank are members of the Nomination & Remuneration Committee.*
- c. *The Chairperson of the Bank, Mr. Rama Subramaniam Gandhi is a member of Nomination & Remuneration Committee and does not hold Chairpersonship of the Committee.*
- d. *The Chairperson of the Nomination & Remuneration Committee (as on the date of AGM held in FY 2021-22), Mr. Mahesh Krishnamurti was present at the last AGM held on July 15, 2022.*
- e. *Mr. Shivanand R. Shettigar, Company Secretary acts as Secretary to the Committee.*
- f. *The quorum was met in all the Nomination & Remuneration Committee Meeting held during the FY 2022-23.*
- g. *During the FY 2022-23, Due to business exigencies, thirteen (13) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Board meetings.*

### 3.b.2 Terms of Reference:

The terms of reference of the Nomination & Remuneration Committee covers all the areas mentioned under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI LODR. The terms of reference of the Nomination & Remuneration Committee includes the following:

- 1) To review the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;
- 2) To examine the qualification, knowledge, skill sets and experience of each director vis-a- vis the Bank's requirements and their effectiveness to the Board on a yearly basis and accordingly recommend to the Board for the induction of new Directors;
- 3) To scrutinise nominations for Directors with reference to their qualifications and experience and making recommendations to the Board for appointment/filling of vacancies;
- 4) 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;
- 5) To formulate performance evaluation framework of Individual Directors (including Chairperson, Managing Director & CEO, Executive Directors, Independent Directors, Non-Independent Directors), Board as a whole and Board level Committees;
- 6) To review the implementation of performance evaluation framework and its compliance;
- 7) To evaluate whether to extend or continue the term of appointment of the independent director on the basis of report of performance evaluation of independent directors;
- 8) 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;
- 9) To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;
- 10) To implement policies and processes relating to Corporate Governance principles;
- 11) To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- 12) To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- 13) To devise a Policy on Board diversity;
- 14) To recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees including performance/achievement bonus, perquisites, retivals, sitting fee, etc.;
- 15) 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;

- 16) To ensure the following while formulating the policy on the below matters:
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - remuneration to Whole time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the Company and its goals ; and
- 17) To recommend to the Board all remuneration, in whatever form, payable to senior management.
- 18) To formulate detailed terms and conditions of the Employee Stock Option Schemes and to adopt, administer, enforce, modify and supervise the same;
- 19) To function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and to consider grant of stock options to employees and allot shares pursuant to exercise of Stock Options by employees;
- 20) To review the Human Capital Capacity Planning on annual basis;
- 21) To review the Succession Planning;
- 22) To review the HCM Policies and provide suitable guidance for additions/ modification/ deletions, if any;

**(b) Directors' Remuneration:**

**i) Chairperson:**

The details of the remuneration paid to the Chairperson of the Bank during FY 2022-23 is given below:

(Amount in ₹)

Name of the Chairperson	Salary	#Perquisites	Others	Total
Mr. Sunil Mehta, Chairperson (April 01, 2022 to July 15, 2022)	7,25,805	11,497	-	7,37,302
Mr. Rama Subramaniam Gandhi (w.e.f. September 20, 2022 to March 31, 2023)	15,91,667	-	-	15,91,667

*#Perquisites of Mr. Sunil Mehta (evaluated as per Income Tax Rules, 1962 wherever applicable and at actual cost to the Bank otherwise) including Free use of Bank's cars with driver, fuel and maintenance expenses etc. on actual basis.*

- 23) To approve the appointment of Chief Human Resources Officer;
- 24) To approve the appointment of Chief Financial Officer and Company Secretary;
- 25) To approve the hiring requisition for any new position as MD&CEO Direct Reports
- 26) 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.

**3.b.3 Board Level Performance Evaluation Criteria including for Independent Directors:**

The details of the performance evaluation criteria for Directors (including Independent Directors) of the Bank have been mentioned in the Directors' Report.

**3.b.4 Remuneration of Directors:**

**(a) Board Remuneration Policy:**

The Bank has formulated and adopted a Board Remuneration Policy for payment of remuneration to its Executive Directors, Non-Executive Part-time Chairperson and Non-Executive Directors of the Bank, in terms of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, Regulation 19 of the SEBI LODR and Guidelines / Circulars issued by RBI, in this regard, from time to time.

The Board Remuneration Policy of the Bank is available on the website of the Bank at [www.yesbank.in/about-us/corporate-governance](http://www.yesbank.in/about-us/corporate-governance).

The remuneration contract of the Executive Directors i.e. Managing Director & CEO and Executive Director has malus or clawback provisions in respect of variable pay.

The details of the remuneration paid to the Executive Directors during FY 2022-23 is given below:

ii) **Executive Directors:**

Name of the Director	(Amount in ₹)	
	Mr. Prashant Kumar (Managing Director & Chief Executive Officer for FY 2022-23)	Mr. Rajan Pental (Executive Director w.e.f. February 02, 2023) <sup>6</sup>
<b>Salary – Fixed Pay</b>		
(a) Basic salary and allowances	2,06,99,362 <sup>1</sup>	56,25,065
(b) Value of perquisites <sup>2</sup>	47,22,509	93,168
(c) Company contribution towards PF	7,27,001	2,09,637
Performance linked incentives		
Performance Bonus for FY 22 <sup>3</sup>	66,00,000	-
Performance Bonus for FY 21 <sup>4</sup>	19,66,666	-
<b>Total</b>	<b>3,47,15,538</b>	<b>59,27,870</b>
Stock Options <sup>5</sup>	36,16,000	-

- <sup>1</sup> Salary includes arrears of INR 0.15 crore for FY 22 as the remuneration approval for the period was received in April 2023.
- <sup>2</sup> Perquisites are evaluated as per the Income Tax Act, 1961 wherever applicable, or otherwise at actual cost to the Bank. This includes House & Maintenance, Bank car, Club membership etc.
- <sup>3</sup> Performance Bonus for FY 22 represents the 50% of bonus (cash based) paid out from the approved bonus of INR 1.33 crore for the performance period FY 22. Remaining payout is deferred in three equal annual tranches.
- <sup>4</sup> Performance Bonus for FY 21 represents deferral tranche number 1 of 3 of approved performance bonus (cash based) of INR 1.18 crore. 50% of the approved bonus was paid out and the remainder was deferred in three equal annual tranches.
- <sup>5</sup> Stock options represent the number of options granted for FY 22. The options were allocated considering the SLI value at INR 1.62 crore and the Black Scholes Price of INR 4.48 as at August 31, 2022.
- <sup>6</sup> Remuneration is considered for the period February 2, 2023 to March 31, 2023.

No sitting fees was paid to Mr. Prashant Kumar, Managing Director & Chief Executive Officer (MD&CEO) and Mr. Rajan Pental, Executive Director (ED) for attending meetings of the Board and/ or its Committees. Further, Mr. Prashant Kumar, Managing Director & CEO and Mr. Rajan Pental, Executive Director of the Bank do not receive any remuneration/sitting fees or commission from the subsidiary of the Bank.

Perquisites (evaluated as per Income Tax Rules, 1962 wherever applicable and at actual cost to the Bank otherwise) such as benefit of the Bank's Furnished and Maintained accommodation, Free use of two Bank's cars with Driver for Official purposes & Private purposes, Club Memberships - 2 clubs (1 social and 1 business), Furniture/White goods, Gas, Electricity & Water, Life Insurance/ Personal Accident Insurance and Residence Telephone and other benefits like Provident Fund, Gratuity, Leave Fare Concession and other fixed allowances are provided in accordance with the respective regulation and Rules of the Bank.

The criteria for evaluation of performance of MD&CEO and ED is based on the evaluation criteria duly approved by the Board.

As per the terms and conditions defined in the appointment letter, the notice period is 90 days. There is no clause or condition related to severance fees in the appointment letter.

iii) **Non-Executive Directors:**

All the Non-Executive Directors (including the Chairperson) receive remuneration by way of sitting fees for each meeting of the Board and its various Committees except Mr. Sunil Kaul and Ms. Shweta Jalan. Mr. Sunil Kaul and Ms. Shweta Jalan have waived their right to receive sitting fees for attending Board/Board level Committee meetings and remuneration entitled under extant Acts/ Regulations/ Bank's Policy during their tenure as Director of the Bank. No stock options were granted to any of the Non-Executive Directors.



In terms of RBI Notification No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021, the Board at its Meeting held on May 06, 2022, approved payment of fixed remuneration of an amount not exceeding ₹ 20,00,000 per annum with effect from April 01, 2021 to each Non-Executive Director of the Bank (other than part-time Chairperson, Managing Director & Chief Executive Officer and Executive Director) commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals, subject to the approval of Members. The said payment of fixed remuneration has also been approved by the shareholders at the 18<sup>th</sup> AGM held on July 15, 2022.

The details of the remuneration paid to the Non-Executive Directors during FY 2022-23 are given below: -

(Amount in ₹)

Name of the Director	Fixed Remuneration <sup>s</sup>	Sitting Fees	Total
Mr. Sunil Mehta, Chairperson (April 01, 2022 to July 15, 2022)	0	14,00,000	14,00,000
Mr. Mahesh Krishnamurti (April 01, 2022 to July 15, 2022)	20,00,000	12,50,000	32,50,000
Mr. Atul Bheda (April 01, 2022 to July 15, 2022)	20,00,000	8,50,000	28,50,000
Mr. Vadalur Subramanian Radhakrishnan (April 01, 2022 to July 15, 2022)	20,00,000	3,50,000	23,50,000
Mr. Ravindra Pandey (April 01, 2022 to June 30, 2022)	20,00,000	4,50,000	24,50,000
Mr. Atul Malik	11,72,603	46,00,000	57,72,603
Ms. Rekha Murthy	11,72,603	30,00,000	41,72,603
Mr. Sharad Sharma	8,27,397	28,00,000	36,27,397
Ms. Nandita Gurjar	0	16,00,000	16,00,000
Mr. Sanjay Kumar Khemani	0	16,00,000	16,00,000
Mr. Sandeep Tewari	0	19,00,000	19,00,000
Mr. Thethpak Keshav Kumar	0	25,00,000	25,00,000
Mr. Sadashiv Srinivas Rao	0	26,00,000	26,00,000
Mr. Rama Subramaniam Gandhi* (w.e.f. July 23, 2022 to March 31, 2023)	-	14,50,000	14,50,000
Mr. Sunil Kaul	0	0	0
Ms. Shweta Jalan	0	0	0

*\$The Fixed Remuneration for the FY 2021-22 was paid to the Directors during FY 2022-23, on proportionate basis.*

*\*Fixed Remuneration received for the FY 2021-22 as an Additional Director appointed by RBI is given in table iii*

### iii) Other Directors (Additional Directors appointed by RBI):

The details of the remuneration paid to the Additional Directors appointed by RBI during FY 2022-23 are given below:

(Amount in ₹)

Name of the Director	Fixed Remuneration <sup>s</sup>	Sitting Fees	Total
Mr. Rama Subramaniam Gandhi (up to July 20, 2022)	20,00,000	6,50,000	26,50,000
Mr. Ananth Narayan Gopalakrishnan (up to July 20, 2022)	20,00,000	6,50,000	26,50,000

*\$The Fixed Remuneration for the FY 2021-22 was paid to the Directors during FY 2022-23.*

#### 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 Board Level Committee meetings for FY 2022-23.*

*No Sitting fees were paid to Mr. Sunil Kaul and Ms. Shweta Jalan as they have waived their right to receive sitting fees for attending Board/Board level Committee meetings and remuneration entitled under extant Acts/ Regulations/ Bank's Policy during their tenure as Director of the Bank.*

- b) *The Bank did not pay any amount to Directors by way of salary and perquisites except to the Managing Director & CEO, Executive Director and Non- Executive (Part-time) Chairperson.*

- c) The Bank does not grant any Stock Options to any Non-Executive Directors and Independent Directors of the Bank.
- d) The remuneration of the Chairperson, MD & CEO and ED of the Bank has been approved by the Reserve Bank of India.
- e) There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Bank during FY 2022-23 (except normal banking transactions in the ordinary course of business and on arm's length basis).

### c) Stakeholders Relationship Committee:

#### 3.c.1 Composition, meetings and attendance during the year:

The Stakeholders Relationship Committee of the Bank presently comprises five members, viz., Mr. Sadashiv Srinivas Rao (Chairperson), Mr. Thekepat Keshav Kumar, Ms. Nandita Gurjar, Mr. Sunil Kaul and Mr. Rajan Pental.

During FY 2022-23, two meetings of Stakeholders Relationship Committee were held on May 12, 2022 and December 12, 2022. The participation of the Members at the meetings of the Committee held during the year is as under:

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/Eligible to attend@
Mr. Sadashiv Srinivas Rao	Chairperson	Independent Director	July 29, 2022	-	1/1
Ms. Rekha Murthy	Chairperson	Non-Executive Director	September 13, 2021	July 15, 2022	1/1
	Member	Independent Director	July 29, 2022	February 15, 2023	
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	October 23, 2020	July 15, 2022	1/1
Mr. Atul Bheda	Member	Non-Executive Director	October 23, 2020	July 15, 2022	1/1
Mr. Vadalur Subramanian Radhakrishnan	Member	Nominee Director of State Bank of India	October 23, 2020	July 15, 2022	0/1
Mr. Ravindra Pandey	Member	Nominee Director of State Bank of India	November 12, 2020	July 01, 2022	0/1
Mr. Sunil Mehta	Member	Non-Executive Director	November 23, 2021	July 15, 2022	1/1
Mr. Thekepat Keshav Kumar*	Member	Nominee Director of State Bank of India	July 29, 2022	-	1/1
Ms. Nandita Gurjar	Member	Independent Director	July 29, 2022	-	1/1
Mr. Sanjay Kumar Khemani	Member	Independent Director	July 29, 2022	February 15, 2023	1/1
Mr. Sunil Kaul	Member	Non-Executive Director	December 13, 2022	-	0/0
Mr. Rajan Pental	Member	Executive Director	February 15, 2023	-	0/0

\* Mr. Thekepat Keshav Kumar was appointed as a Non-Executive Director w.e.f. July 15, 2022 and was re-categorised as Nominee Director of SBI w.e.f. August 25, 2022.

@Number of meetings held during the tenure of the Director as a Member/Chairperson of the Committee.

#### Notes:

- a) Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, the Stakeholders Relationship Committee of the Bank was reconstituted on July 29, 2022. Further, the Committee was last reconstituted on February 15, 2023.
- b) The Chairperson of the Stakeholders Relationship Committee, Mr. Sadashiv Srinivas Rao is a Non – Executive Director.
- c) Ms. Rekha Murthy, the erstwhile Chairperson of Stakeholders Relationship Committee was present at the last AGM of the Bank.

- d) *Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.*
- e) *The quorum was met in all the Meetings of Stakeholders Relationship Committee held during the FY 2022-23.*
- f) *During the FY 2022-23, Due to business exigencies, one (1) resolution was passed through Circulation and the said resolution was noted at the subsequent Board meeting.*

### 3.c.2 Terms of Reference of Stakeholders Relationship Committee:

The terms of reference of the Stakeholders Relationship Committee includes the following:

- 1) To review mechanisms adopted by the Bank to redress the complaints received from various security holders such as shareholders, debenture holders and any other stakeholders such as non-receipt of dividend, non - receipt of interest on debentures, annual report, transfer/transmission of shares or debentures, issue of new/duplicate share / debenture certificates, general meeting etc. including those received through SEBI Scores platform, NSE and BSE;
- 2) To review the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices like Annual General Meeting /Extra-Ordinary General Meeting/ Postal Ballot Notice etc. by the shareholders of the Bank;
- 3) To oversee and review all matters connected with transfer, transmission, name deletion, transposition, dematerialisation, rematerialisation, splitting/subdivision, consolidation of securities issued by the Bank and transfer of unclaimed dividend/shares to Investor Education and Protection Fund (IEPF);
- 4) To review the movements in shareholding and ownership structure of the Bank;
- 5) To oversee and review the performance and service standards adopted by the Bank in respect of various services being rendered by the Registrar and Share Transfer Agent and to recommend measures for overall improvement in the quality of Investor services;
- 6) To review the key highlights/developments pertaining to various Stakeholders including equity shareholders, debenture holders, multilateral lenders, rating agencies etc.;
- 7) To review the engagements with various Stakeholders (mentioned above) including communication and feedback received from them. Further, recommend steps for improving engagement with the Stakeholders;
- 8) To review the measures taken for effective exercise of voting rights by shareholders;
- 9) To review Bank's perception amongst Stakeholders, which are not covered under the scope of Terms of Reference of any other Committee, including but not limited to Shareholders, Debenture holders/ Bondholders, Other Security holders, Strategic Investors, Analysts and Brokers, Rating Agencies, International Lenders, Proxy Advisory Firms, Depositories etc, and Regulators like Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, etc. and
- 10) To perform any other functions as stipulated by Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, and any other regulatory authority through any applicable Acts/Laws/ Rules/Regulations/Notifications/Circulars etc., as amended from time to time.

### 3.c.3 Status of Shareholder's Complaints/ Requests:

#### Shareholders' Complaints during FY 2022-23:

Particulars	No. of Complaints
Shareholders complaints pending as at April 01, 2022	5
Shareholders complaints received during the year ended on March 31, 2023	157
Shareholders complaints resolved during the year ended March 31, 2023	162
Shareholders complaints pending as at March 31, 2023	0

#### Shareholders' Requests during FY 2022-23:

Particulars	No. of Requests
Shareholders requests pending as at April 01, 2022	4
Shareholders requests received during the year ended on March 31, 2023	5757
Shareholders requests resolved during the year ended March 31, 2023	5753
Shareholders requests pending as at March 31, 2023	8*

\*Shareholders requests pending as at March 31, 2023 were closed by April 10, 2023

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 Viz. BSE and NSE, 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. None of the complaints remained unsolved to the satisfaction of the shareholders as at March 31, 2023.

The Bank has designated Email ID namely [shareholders@yesbank.in](mailto:shareholders@yesbank.in) for equity investors and [bondholders@yesbank.in](mailto:bondholders@yesbank.in) for bond holders for reporting complaints/grievances. The said Email IDs are also displayed on the website of the Bank.

### 3.c.4 Details of Compliance Officer:

Mr. Shivanand R. Shettigar, Company Secretary, acts as the Compliance Officer of the Bank as per SEBI LODR.

### d) Customer Service Committee

#### 3.d.1 Composition, meetings and attendance during the year:

The Customer Service Committee of the Bank presently comprises five members, viz., Ms. Nandita Gurjar (Chairperson), Mr. Sharad Sharma, Mr. Thekepat Keshav Kumar, Mr. Sunil Kaul and Mr. Rajan Pentel.

During FY 2022-23, two meetings of Customer Service Committee were held on June 06, 2022 and December 05, 2022. The participation of the Members at the meetings of the Committee held during the year is as under:

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/ Eligible to attend for FY 2022-23 <sup>@</sup>
Mr. Sharad Sharma	Chairperson	Non-Executive Director	November 23, 2021	July 15, 2022	1/1
	Member	Independent Director	July 29, 2022	-	1/1
Ms. Nandita Gurjar	Chairperson	Independent Director	July 29, 2022	-	1/1
Mr. Atul Bheda	Member	Non-Executive Director	October 23, 2020	July 15, 2022	1/1
Mr. Vadalur Subramanian Radhakrishnan	Member	Nominee Director of State Bank of India	October 23, 2020	July 15, 2022	0/1
Mr. Atul Malik	Member	Non-Executive Director	September 13, 2021	July 15, 2022	1/1
Mr. Thekepat Keshav Kumar*	Member	Nominee Director of State Bank of India	July 29, 2022	-	1/1
Mr. Sadashiv Srinivas Rao	Member	Independent Director	July 29, 2022	February 15, 2023	1/1
Mr. Sandeep Tewari*	Member	Nominee Director of State Bank of India	July 29, 2022	February 15, 2023	1/1
Mr. Sunil Kaul	Member	Non-Executive Director	December 13, 2022	-	0/0
Mr. Rajan Pentel	Member	Executive Director	February 15, 2023	-	0/0

\* Mr. Sandeep Tewari and Mr. Thekepat Keshav Kumar were appointed as Non-Executive Director w.e.f. July 15, 2022 and were re-categorised as Nominee Director of SBI w.e.f. August 25, 2022.

@ Number of meetings held during the tenure of the Director as a Member/Chairperson of the Committee.

**Notes:**

- a) Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, the Customer Service Committee of the Bank was reconstituted on July 29, 2022. Further, the Committee was last reconstituted on February 15, 2023.
- b) Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
- c) The quorum was met in all the Meetings of Customer Service Committee held during the FY 2022-23.
- d) During the FY 2022-23, Due to business exigencies, one resolution was passed through Circulation and the said resolution was noted at the subsequent Board meeting.

**3.d.2 Terms of Reference:**

The terms of reference of Customer Service Committee includes the following:

1. Review product approval process with a view to suitability and appropriateness;
2. Review of customer feedback gathered through annual customer satisfaction survey of depositors and other customers and suggest action for improvement;
3. Review of measures taken for enhancing the quality of customer service;
4. Review the findings of tri-ennial audit on customer service;
5. Review of branding, marketing, and customer engagement activities of the bank;
6. Review of activities undertaken to promote digital payments;
7. To oversee the functioning of Standing Committee of Customer Service;
8. Review the update on the activities undertaken for promotion of digital products;
9. Review the update on Customer Liability Cases - (Customer Protection - Limiting Liability

of Customers in Unauthorised Electronic Banking Transactions);

10. Review the update on Internal Ombudsman activities & analysis of cases referred;
11. Review the broad trends and concentration in the growth of customer grievances and their resolution including mis-selling, particularly third-party products;
12. Review the appropriateness of products to different customer segments;
13. Review the Reconciliation of transactions at ATMs failure – time limit;
14. Review of customer complaints addressed to the members of the Board;
15. Review the status of settlement of claims in regard to deceased claimants (locker-hirers / depositors of safe custody article accounts etc.);
16. Examine any other issues having a bearing on the quality of customer services rendered;
17. 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.

**e) Risk Management Committee:**
**3.e.1 Composition, meetings and attendance during the year:**

The Risk Management Committee of the Bank presently comprises six members, viz., Mr. Sharad Sharma (Chairperson), Mr. Rama Subramaniam Gandhi, Mr. Atul Malik, Mr. Thekepat Keshav Kumar, Mr. Sadashiv Srinivas Rao and Mr. Sunil Kaul.

During FY 2022-23, Eight meetings of Risk Management Committee were held on April 28, 2022, June 28, 2022, July 21, 2022, September 12, 2022, October 20, 2022, December 29, 2022, January 19, 2023 and March 09, 2023.

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/ Eligible to attend for FY 2022-23 <sup>@</sup>
Mr. Atul Malik	Chairperson	Non-Executive Director	September 13, 2021	July 15, 2022	2/2
	Chairperson	Independent Director	July 15, 2022	July 29, 2022	1/1
	Member	Independent Director	July 29, 2022	-	5/5
Mr. Sharad Sharma	Member	Non-Executive Director	November 23, 2021	July 15, 2022	2/2
	Member	Independent Director	July 15, 2022	July 29, 2022	1/1
	Chairperson	Independent Director	July 29, 2022	-	5/5
Mr. Sunil Mehta	Member	Non-Executive Director	March 26, 2020	July 15, 2022	2/2
Mr. Vadalur Subramaniam Radhakrishnan	Member	Nominee Director of State Bank of India	August 07, 2020	July 15, 2022	0/2
Mr. Ravindra Pandey	Member	Nominee Director of State Bank of India	November 12, 2020	July 01, 2022	0/2
Mr. Prashant Kumar#	Member	Managing Director & Chief Executive Officer	March 26, 2020	July 15, 2022	2/2
			July 15, 2022	February 15, 2023	5/5
Mr. Sadashiv Srinivas Rao	Member	Independent Director	July 15, 2022	-	6/6
Mr. Thekepat Keshav Kumar*	Member	Nominee Director of State Bank of India	July 15, 2022	-	6/6
Mr. Rama Subramaniam Gandhi	Member	Non-Executive, Part-time Chairperson, Independent Director	July 29, 2022	-	5/5
Mr. Sunil Kaul	Member	Non-Executive Director	December 13, 2022	-	2/3
Ms. Shweta Jalan	Member	Non-Executive Director	December 13, 2022	February 15, 2023	1/2

\* Mr. Thekepat Keshav Kumar was appointed as Non-Executive Director w.e.f. July 15, 2022 and was re-categorised as Nominee Director of SBI w.e.f. August 25, 2022

# Mr. Prashant Kumar was appointed as interim MD & CEO w.e.f. July 15, 2022. Thereafter, he was appointed as MD & CEO w.e.f. October 6, 2022.

@ Number of meetings held during the tenure of the Director as a member/ Chairperson of the Committee.

#### Notes:

- Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, the Risk Management Committee of the Bank was reconstituted on July 15, 2022. Further, the Committee was last reconstituted on February 15, 2023.
- Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
- The quorum was met in all the Meetings of Risk Management Committee held during the FY 2022-23.
- The Risk Management Committee met the Chief Risk Officer on one-to-one basis, without the presence of MD & CEO on quarterly basis, on April 28, 2022, July 21, 2022, October 20, 2022 and January 19, 2022.
- As per RBI Notification No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board. The Chairperson of the Risk Management Committee does not hold chairpersonship in Board or any other Committee of the Bank.
- During the FY 2022-23, due to business exigencies, one (1) resolution was passed through Circulation and the said resolution was noted at the subsequent Committee meeting.

### 3.e.2 Terms of Reference of Risk Management Committee:

The terms of reference of the Risk Management Committee includes the following:

- Integrate risk management into the Bank's goals and compensation structure;
- Review and approve the changes in Risk and Compliance Culture Policy and oversight on fostering the Risk culture in the Bank;

- 3) Assess that the Risk universe (internal as well as external) 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 / cyber security related risk, attrition risk, financial risk, sustainability (particularly ESG related risks) etc.] within the Board approved overall Risk Appetite of the Bank as outlined in the ICAAP document;
  - 4) 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;
  - 5) Oversee the Bank's Enterprise Risk Management framework, covering risk identification, measurement, monitoring and mitigation;
  - 6) Review, approve and recommend for the Board risk management policies, systems, processes & risk management framework at least once in two years, by considering the changing industry dynamics and evolving complexity. Review and assess the effectiveness of the policies, processes and framework including business continuity plan address deficiencies and recommend improvements to ensure internal control of the identified risks;
  - 7) 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;
  - 8) Review, assess and approve setting up of stress testing scenarios as well as review breaches therein; suggest remedial actions if any;
  - 9) Monitoring compliance as well as critically analysing various risk parameters and providing direction for corrective action wherever necessary;
  - 10) Review of the Bank's portfolio and providing necessary guidance to Management;
  - 11) To review the minutes of Executive level Committees such as Asset Liability Committee (ALCO), Operational Risk Management Committee (ORMC), Security Council Meeting, Enterprise Risk, Reputation Risk and Model Assessment Committee (ERMC) and any other risk related Committee as applicable;
  - 12) To review the Products and the Processes (new and existing) which has been approved by the Product and Process Approval Committee (PPAC);
  - 13) 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;
  - 14) To review the appointment, removal and terms of remuneration of the Chief Risk Officer;
  - 15) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if necessary;
  - 16) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  - 17) To conduct Meeting of Chief Risk Officer with the Committee in accordance with RBI Circular No.DBR.BP.BC.No.65/21.04.103/2016-17 dated April 27, 2017;
  - 18) To review at least on an annual basis, the risk presentation made by the Wholly Owned Subsidiary company (WOS) of the Bank;
  - 19) To review on half-yearly basis, the Financial Stability Report published by RBI and the Bank's position vis-à-vis the Report;
  - 20) To review any unforeseen material developments that have implications on the Risks being faced by the Bank; assess its implications; and guide on the steps to be taken by the Bank for mitigation of such Risks.
- f) Corporate Social Responsibility & Environmental Social and Governance Committee:**
- 3.f.1 Composition, meetings and attendance during the year:**
- The Corporate Social Responsibility & Environmental Social and Governance Committee of the Bank presently comprises five members, viz., Ms. Rekha Murthy (Chairperson), Mr. Sadashiv Srinivas Rao, Ms. Nandita Gurjar, Ms. Shweta Jalan and Mr. Rajan Pental.
- During FY 2022-23, two (2) meetings of the Corporate Social Responsibility & Environmental, Social and Governance Committee were held on September 29, 2022 and February 10, 2023.

The composition of the Committee, along with the participation of the Members at the meetings of the Committee held during the year was as under:

Name of Member	Position	Category	Date of Appointment	Date of Cessation	Meetings Attended/ Eligible to attend for FY 2022-23 <sup>®</sup>
Mr. Sharad Sharma	Chairman	Non-Executive Director	November 23, 2021	July 15, 2022	0 / 0
	Member	Independent Director	July 29, 2022	February 15, 2023	2 / 2
Ms. Rekha Murthy	Member	Non-Executive Director	November 23, 2021	July 15, 2022	0 / 0
	Chairperson	Independent Director	July 29, 2022	-	2 / 2
Mr. Atul Bheda	Member	Non-Executive Director	March 26, 2020	July 15, 2022	0 / 0
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	March 26, 2020	July 15, 2022	0 / 0
Mr. Ravindra Pandey	Member	Nominee Director of State Bank of India	November 12, 2020	July 01, 2022	0 / 0
Mr. Sunil Mehta	Member	Non-Executive Director	November 23, 2021	July 15, 2022	0 / 0
Mr. Sadashiv Srinivas Rao	Member	Independent Director	July 29, 2022	-	2 / 2
Ms. Nandita Gurjar	Member	Independent Director	July 29, 2022	-	2 / 2
Mr. Rama Subramaniam Gandhi	Member	Independent Director	July 29, 2022	February 15, 2023	1 / 2
Ms. Shweta Jalan	Member	Non-Executive Director	December 13, 2022	-	0 / 1
Mr. Rajan Pental	Member	Executive Director	February 15, 2023	-	0 / 0

**Notes:**

- a. Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, the CSR&ESG Committee of the Bank was reconstituted on July 29, 2022. Further, the Committee was last reconstituted on February 15, 2023.
- b. The Chairperson of the Corporate Social Responsibility & Environmental Social and Governance Committee, Ms. Rekha Murthy is a Non-Executive Director.
- c. Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
- d. The quorum was met at all the Meetings of Corporate Social Responsibility & Environmental Social and Governance Committee held during the FY 2022-23.
- e. During the FY 2022-23, due to business exigencies, one (1) resolution was passed through Circulation and the said resolution has been noted at the subsequent Committee meeting.

### 3.f.2 Terms of Reference:

#### A. CORPORATE SOCIAL RESPONSIBILITY (CSR)

On the CSR matters, the Terms of Reference of the CSR & ESG Committee shall include the following:

- 1) 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;
- 2) 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;
- 3) To monitor the CSR Policy of the Bank from time to time;
- 4) To formulate and recommend to the Board:
  - a. An annual action plan and status of fund utilisation, whenever required;
  - b. Details of need and impact assessment, if any, for the projects undertaken by the Company;



- c. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - d. The manner of execution of such projects or programmes as specified;
  - e. The modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - f. Monitoring and reporting mechanism for the projects or programmes; whenever required in pursuance of Corporate Social Responsibility Policy.
- 5) To ensure that:
    - a. The administrative overheads do not exceed five percent of total CSR expenditure of the Company for the financial year;
    - b. The funds disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to this effect;
  - 6) To consider and recommend the Annual CSR Report to the Board for approval;
  - 7) 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;
  - 8) To formulate and recommend to the Board, the BANK's Donation Policy which shall indicate the donations made by the Bank in accordance with RBI Guidelines issued on December 21, 2005;
  - 9) To review and recommend to the Board, the Third-Party Assurance provider for assurance services on non-financial reporting;
  - 10) To get updates, if any, from CSR Implementation Partners;

## **B. ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)**

The CSR & ESG Committee will provide strategic focus, oversight and guidance on all matters

pertaining to the Bank's Environmental, Social & Governance (ESG) performance, as detailed below:

- 1) Oversee and review the decisions of the Bank's Sustainability Council and make recommendations to the Board on the Bank's overall ESG strategy and performance;
- 2) Provide guidance and recommendations on the integration of ESG considerations into the Bank's business, in line with macro-level trends and peer banks commitment on ESG; global ESG policy developments; regulatory requirements;
- 3) Review and monitor the Bank's progress and alignment with key global sustainability-led frameworks including the Sustainable Development Goals (SDGs) and Principles for Responsible Banking and make recommendations on the Bank's long term ESG objectives and targets;
- 4) Oversee and review the Bank's governance frameworks and practices to monitor, assess and mitigate ESG related risks and climate risks;
- 5) Oversee and guide the Bank's efforts to capitalise on ESG related opportunities and align its business to low carbon transition;
- 6) Oversee and guide the Bank's efforts to integrate ESG considerations into its operations including, alignment of executive performance to ESG targets, improvement in eco-efficiency, and transition to sustainable supply chains;
- 7) Review and recommend to the Board policies created from time to time for the implementation of the ESG strategy;
- 8) Oversee and review the alignment of the Bank's ESG disclosures to global best practices, including the requirements of eminent ESG rating agencies/ indices;
- 9) Oversee and guide the Bank's work at mainstreaming ESG across its stakeholder spectrum through knowledge and advocacy, including internal capacity building initiatives.
- 10) Review the bank's performance and rating on 2 (two) globally benchmarked ESG rating platforms –
  1. S&P Global Corporate Sustainability Assessment (for assessing ESG performance)
  2. Carbon Disclosure Project (for assessing the Bank's climate change disclosures)

**g) Board Credit Committee:****3.g.1 Composition, meetings and attendance during the year:**

The Board Credit Committee of the Bank presently comprises four members, viz., Mr. Atul Malik (Chairperson), Mr. Thekepat Keshav Kumar, Mr. Sadashiv Srinivas Rao and Mr. Prashant Kumar.

During FY 2022-23, twenty-nine meetings of Board Credit Committee were held on April 08, 2022, April 22, 2022, May 05, 2022, May 19, 2022, May 26, 2022, June 02, 2022, June 16, 2022, June 23, 2022, July 7, 2022, July 13, 2022, August 10, 2022, August 19, 2022, August 30, 2022, September 15, 2022, September 21, 2022, October 04, 2022, October 28, 2022, November 07, 2022, November 21, 2022, December 01, 2022, December 14, 2022, December 27, 2022, January 12, 2023, January 27, 2023, February 13, 2023, February 28, 2023, March 09, 2023, March 15, 2023 and March 28, 2023.

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/ Eligible to attend for FY 2022-23 <sup>@</sup>
Mr. Sunil Mehta	Chairperson	Non-Executive Director	March 26, 2020	July 15, 2022	9/10
Mr. Atul Malik	Member	Non-Executive Director	September 13, 2021	July 15, 2022	10/10
	Chairperson	Independent Director	July 29, 2022	-	19/19
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	March 26, 2020	July 15, 2022	8/10
Mr. Vadalur Subramaniam Radhakrishnan	Member	Nominee Director of State Bank of India	August 07, 2020	July 15, 2022	2/10
Mr. Prashant Kumar <sup>#</sup>	Member	Managing Director & Chief Executive Officer	March 26, 2020	July 15, 2022	7/10
	Member		July 29, 2022	-	18/19
Mr. Thekepat Keshav Kumar <sup>*</sup>	Member	Nominee Director of State Bank of India	July 29, 2022	-	19/19
Mr. Sadashiv Srinivas Rao	Member	Independent Director	July 29, 2022	-	19/19

<sup>\*</sup> Mr. Thekepat Keshav Kumar was appointed as Non-Executive Director w.e.f. July 15, 2022 and was re-categorised as Nominee Director of SBI w.e.f. August 25, 2022

<sup>#</sup> Mr. Prashant Kumar was appointed as interim MD & CEO w.e.f. July 15, 2022. Thereafter, he was appointed as MD & CEO w.e.f. October 6, 2022.

<sup>@</sup> Number of meetings held during the tenure of the Director as a member/ Chairperson of the Committee.

**Notes:**

- Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided else where in this Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, Board Credit Committee of the Bank was reconstituted on July 29, 2022.
- Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
- The quorum was met in all the Meetings of Board Credit Committee held during the FY 2022-23.
- During the FY 2022-23, due to business exigencies, two (2) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Committee meetings.

### 3.g.2 Terms of Reference:

The terms of reference of the Board Credit Committee includes the following:

- 1) To approve / review credit proposals that are beyond the approval authority of the Management Credit Committee (MCC)
- 2) To approve any other aspects of credit proposals.
- 3) To approve Investment proposals beyond limits / thresholds delegated to Asset Liability Management Committee (ALCO)
- 4) To approve resolution plans and any other matters for stressed assets that are beyond the approval authority of the Stressed Asset Management Committee (SAMC), including but not limited to proposals for settlement of debt.
- 5) To review specific cases that might need special attention as and when recommended by MCC/ ALCO/SAMC
- 6) To approve/review aspects and proposals that are specifically delegated to the Board Credit Committee by the Board or as also recommended by RBI from time to time:
  - a. Loans and advances, aggregating ₹ 25 lakh and above to the 'relatives' of the Bank's Chairperson/ Managing Director or to Directors of other banks and their relatives or any firm in which any of such 'relatives' is interested as a partner or guarantor or any company in which such 'relatives' hold substantial interest as a director or guarantor. In case where any Bank's Director is an interested person or has any conflict of interest, then he/she may recuse themselves from the decision making and remaining directors may accordingly discuss the proposal. In absence of quorum, the proposal may be referred to the Board for approval. All such sanctioned proposals would be reported to the Board on a quarterly basis
  - b. Financing acquisition of shares in an existing company, which is engaged in implementing or operating an infrastructure project in India adhering to specific conditions pertaining to extent of financing, security of shares to be obtained and tenor
  - c. Exception approval of additional 5% of the Bank's eligible capital base (over and above limit of 20% of the Bank's eligible capital base) for Single Counterparty Limit. Such exceptions will be reported to the Board
  - d. Approval for sale of stressed financial assets, either basis list identified by the Bank at the beginning of year as recommended by Stressed Asset Management Committee (SAMC), or basis periodic review (on a semi-annual basis) of all NPAs above a threshold of INR 25 crore, or for sale of a stressed asset outside of these lists
- 7) To approve/review credit proposals/ transactions entered between the Bank as a holding company and its wholly owned subsidiary; also to approve/review credit proposals where the terms & conditions of such transactions with group entities are inconsistent with the terms & conditions/ benchmarks/credit standards for similarly rated non-group entities, subject to sufficient justification
- 8) To approve/ratify any exceptions to the Board approved Credit and Investment Policy, where such exceptions are within the overall Regulatory Framework and guidelines. The reporting framework must ensure that such exceptions are subsequently highlighted to the RMC/Board
- 9) To review the minutes of MCC and SAMC; and
- 10) 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

### h) IT Strategy Committee:

#### 3.h.1 Composition, meetings and attendance during the year:

The IT Strategy Committee of the Bank presently comprises five members, viz., Ms. Rekha Murthy (Chairperson), Mr. Rama Subramaniam Gandhi, Mr. Sanjay Kumar Khemani, Mr. Prashant Kumar, Mr. Rajan Pentel.

During FY 2022-23, five meetings of IT Strategy Committee were held on May 12, 2022, August 30, 2022, September 30, 2022, November 11, 2022 and February 09, 2023.

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/ Eligible to attend for FY 2022-23 <sup>@</sup>
Ms. Rekha Murthy	Chairperson	Non-Executive Director	September 13, 2021	July 15, 2022	1/1
	Chairperson	Independent Director	July 29, 2022	-	4/4
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	March 26, 2020	July 15, 2022	1/1
Mr. Prashant Kumar <sup>#</sup>	Member	Managing Director & Chief Executive Officer	March 26, 2020	July 15, 2022	1/1
			July 29, 2022	-	4/4
Mr. Ravindra Pandey	Member	Nominee Director of State Bank of India	November 12, 2020	July 01, 2022	0/1
Mr. Atul Malik	Member	Non-Executive Director	September 13, 2021	July 15, 2022	1/1
			Independent Director	July 29, 2022	February 15, 2023
Mr. Rama Subramaniam Gandhi	Member	Independent Director, Non-Executive Part-time Chairperson	July 29, 2022	-	2/4
Mr. Sanjay Kumar Khemani	Member	Independent Director	July 29, 2022	-	4/4
Ms. Nandita Gurjar	Member	Independent Director	July 29, 2022	February 15, 2023	4/4
Mr. Rajan Pental	Member	Executive Director	February 15, 2023	-	0/0

<sup>#</sup> Mr. Prashant Kumar was appointed as interim MD & CEO w.e.f. July 15, 2022. Thereafter, he was appointed as MD & CEO w.e.f. October 6, 2022.

<sup>@</sup> Number of meetings held during the tenure of the Director as a Member/Chairperson of the Committee

**Notes:**

- Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, the IT Strategy Committee of the Bank was reconstituted on July 29, 2022. Further, the Committee was last reconstituted on February 15, 2023.
- Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
- The Quorum was met in all meetings of IT Strategy Committee held during the FY 2022-23.
- During the FY 2022-23, No resolutions were passed through circulation.

### 3.h.2 Terms of Reference of IT Strategy Committee:

The broad terms of reference of the IT Strategy Committee includes the following:

- To perform oversight functions over the IT Steering Committee (at a senior management level);
- To review activities within this scope;
- To seek information from any employee;
- To obtain outside legal or professional advice;

- 5) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- 6) To work in partnership with other Board committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies;
- 7) To approve IT strategy and policy documents;
- 8) To review that the management has put an effective strategic planning process in place;
- 9) To ratify the IT strategy in alignment with the business strategy;
- 10) To provide guidance on the IT organisational structure to complements the business model;
- 11) To review whether the management has implemented processes and practices that ensure that the IT delivers value to the business;
- 12) To review that IT & Security tools investments & budgets represent a balance of risks and benefit and that budgets are acceptable;
- 13) 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;
- 14) To review whether there is a proper balance of IT investments for sustaining bank's growth;
- 15) To become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks;
- 16) To assess Senior Management's performance in implementing IT strategies;
- 17) To issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);
- 18) To confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;
- 19) 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;
- 20) To review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value);
- 21) To approve the Cyber Security Policy and Cyber Crisis Management Plan;
- 22) To be aware of the global cyber security threat landscape and provide guidance on its applicability to the Bank;
- 23) To review the implementation of cyber security tools and processes in line with the approved policies and regulatory directives;
- 24) 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;
- 25) Annual Review of Prepaid Instruments Security Policy;
- 26) To review uptime Threshold for the ATMs;
- 27) To review digital Channels & Payment Products – Key Achievements & Metrics for Financial Year;
- 28) To review disaster Recovery Readiness;
- 29) To review central Data and analytics advisory/updates by CDAG team.

**i) Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee:****3.i.1 Composition, meetings and attendance during the year:**

The Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee of the Bank presently comprises five members, viz., Mr. Prashant Kumar (Chairperson), Mr. Sharad Sharma, Mr. Sandeep Tewari, Mr. Sanjay Kumar Khemani and Ms. Shweta Jalan.

During FY 2022-23, two meetings of Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee were held on July 12, 2022 and January 25, 2023.

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/ Eligible to attend for FY 2022-23 <sup>@</sup>
Mr. Prashant Kumar <sup>#</sup>	Chairperson	Managing Director & Chief Executive Officer	March 26, 2020	July 15, 2022	1/1
			July 29, 2022	-	0/1
Mr. Atul Bheda	Member	Non-Executive Director	March 26, 2020	July 15, 2022	1/1
Mr. Vadalur Subramanian Radhakrishnan	Member	Nominee Director of State Bank of India	August 07, 2020	July 15, 2022	0/1
Mr. Ravindra Pandey	Member	Nominee Director of State Bank of India	November 12, 2020	July 01, 2022	0/0
Mr. Sharad Sharma	Member	Non-Executive Director	November 23, 2021	July 15, 2022	1/1
	Member	Independent Director	July 29, 2022	-	1/1
Mr. Sandeep Tewari <sup>*</sup>	Member	Nominee Director of State Bank of India	July 29, 2022	-	1/1
Mr. Thekepat Keshav Kumar <sup>*</sup>	Member	Nominee Director of State Bank of India	July 29, 2022	February 15, 2023	1/1
Mr. Sanjay Kumar Khemani	Member	Independent Director	July 29, 2022	-	1/1
Ms. Shweta Jalan	Member	Non-Executive Director	December 13, 2022	-	1/1

<sup>\*</sup> Mr. Sandeep Tewari and Mr. Thekepat Keshav Kumar were appointed as Non-Executive Director w.e.f. July 15, 2022 and were re-categorised as Nominee Director of SBI w.e.f. August 25, 2022

<sup>#</sup> Mr. Prashant Kumar was appointed as interim MD & CEO w.e.f. July 15, 2022. Thereafter, he was appointed as MD & CEO w.e.f. October 6, 2022.

<sup>@</sup> Number of meetings held during the tenure of the Director as a member/ Chairperson of the Committee.

**Notes:**

- Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, the Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee of the Bank was reconstituted on July 29, 2022. Further, the Committee was last reconstituted on February 15, 2023.
- Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
- The quorum was met in all the Meetings of Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee held during the FY 2022-23.
- During the FY 2022-23, due to business exigencies, two (2) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Committee meetings.

### 3.i.2 Terms of Reference:

The terms of reference of the Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee includes following:

- 1) To monitor and review in detail all frauds, involving an amount of ₹ 1 crore and above so as to:
  - a) Identify the systematic lacunae, if any, that facilitate perpetration of the fraud and put in place measures to plug the same;
  - b) Identify reasons for delay in detection and reporting of frauds to top management of the Bank and the Reserve Bank of India/SFIO, etc.;
  - c) Monitor progress of the investigations by Police/Central Bureau of Investigation/ Economic Offences Wing or any other similar organisation in respect of the cases and recovery position thereof
  - d) Ensure that staff accountability is examined at all levels in the cases of frauds and action against staff, if required, is completed quickly, with minimum loss of time;
  - e) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal control environment;
- 2) To review update on Forensic Audit of 'Red Flagged Accounts' (RFAs), Non-Performing Assets (NPAs) and Suspected Fraud (SF) Accounts;
- 3) To review electronic banking frauds/cyber frauds;
- 4) To review and confirm the order of the Executive Committee for Classification of borrowers as "Non-Cooperative Borrowers" or "Wilful Defaulter";
- 5) 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;
- 6) To decide on removal of the names from the list of "Non-Cooperative Borrowers" or "Wilful Defaulters" as reported to Central Repository of Information of Large Credits (CRILC);
- 7) To review, note and decide on any matter pertaining to "Non-Cooperative Borrowers" or "Wilful Defaulters".
- 8) To review/ consider publication of the photographs of borrowers, including proprietors/ partners/ directors/ guarantors of borrower firms/ companies, who have been declared as willful defaulters and Non-cooperative borrowers; and
- 9) 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.
- 10) Noting of the minutes of Executive Committee for Classification of Willful Defaulter & Non-Cooperative Borrowers.

### j. Capital Raising Committee:

#### 3.j.1 Composition, meetings and attendance during the year:

The Capital Raising Committee of the Bank presently comprises six members, viz., Mr. Rama Subramaniam Gandhi (Chairperson), Mr. Sandeep Tewari, Mr. Sanjay Kumar Khemani, Mr. Sunil Kaul, Ms. Shweta Jalan and Mr. Prashant Kumar.

During FY 2022-23, three meetings of Capital Raising Committee were held on April 12, 2022, May 13, 2022, and June 2, 2022. The participation of the Members at the meetings of the Committee held during the year is as under:

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the year is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Date of Cessation of Membership	Meetings Attended/ Eligible to attend for FY 2022-23 <sup>@</sup>
Mr. Sunil Mehta	Chairperson	Non-Executive Director	March 26, 2020	July 15, 2022	3/3
Mr. Rama Subramaniam Gandhi	Chairperson	Independent Director	July 29, 2022	-	0/0
Mr. Mahesh Krishnamurti	Member	Non-Executive Director	March 26, 2020	July 15, 2022	2/3
Mr. Prashant Kumar <sup>#</sup>	Member	Managing Director & Chief Executive Officer	March 26, 2020 July 29, 2022	July 15, 2022 -	2/3 0/0
Mr. Vadalur Subramanian Radhakrishnan	Member	Nominee Director of State Bank of India	September 13, 2021	July 15, 2022	1/3
Mr. Atul Malik	Member	Non-Executive Director	September 13, 2021	July 15, 2022	3/3
Mr. Sandeep Tewari <sup>*</sup>	Member	Nominee Director of State Bank of India	July 29, 2022	-	0/0
Mr. Sanjay Kumar Khemani	Member	Independent Director	July 29, 2022	-	0/0
Mr. Sunil Kaul;	Member	Non-Executive Director	December 13, 2022	-	0/0
Ms. Shweta Jalan	Member	Non-Executive Director	December 13, 2022	-	0/0

<sup>\*</sup> Mr. Sandeep Tewari was appointed as a Non-Executive Director w.e.f. July 15, 2022 and was recategorised as Nominee Director of SBI w.e.f. August 25, 2022.

<sup>#</sup> Mr. Prashant Kumar was appointed as interim MD & CEO w.e.f. July 15, 2022. Thereafter, he was appointed as MD & CEO w.e.f. October 6, 2022.

<sup>@</sup> Number of meetings held during the tenure of the Director as a member/ Chairperson of the Committee.

#### Notes:

- Pursuant to the approval of the shareholders at the 18<sup>th</sup> Annual General Meeting of the Bank, alternate Board of the Bank was constituted effective from July 15, 2022 (which included appointment of certain existing Non-Executive Directors as Independent Directors, the details of which are provided elsewhere in the Corporate Governance Report). Consequent to the constitution of the alternate Board and change in category of the Directors as mentioned on July 15, 2022, the Capital Raising Committee of the Bank was reconstituted on July 29, 2022. Further, the Committee was last reconstituted on December 13, 2022.
- Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
- The quorum was met in all the Meetings of Capital Raising Committee held during the FY 2022-23.
- During the FY 2022-23, due to business exigencies, two (2) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Committee meetings.

### 3.j.2 Terms of Reference:

The broad terms of reference of the Capital Raising Committee includes the following:

- To analyse various options for infusion of capital and funds by issue of various securities including equity shares, preference shares, debentures, bonds, BASEL III compliant Tier I & Tier II Instruments, other debt securities, etc.;
- To consider any type of capital re-organisation like consolidation of stock, stock split etc. and recommend to the Board of Directors thereof;
- To consider bonus shares issue and related arrangements and recommend to the Board of Directors thereof;



- 4) 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;
- 5) To approve early redemption of bond/debenture/ Medium term note and other securities which represent debt on the Bank;
- 6) To engage/appoint agencies related to capital and fund raising exercise and early redemption of bond/debenture/ Medium term note and other securities which represent debt on the Bank as the case may be;
- 7) To authorise / approve necessary expenditure relating to capital and fund raising exercise and early redemption of bond/debenture/ Medium term note and other securities which represent debt on the Bank;
- 8) To authorise the Management to approach the Regulators/ bondholders/ debenture trustee/ Stock Exchange for obtaining consent in connection with such early redemption (whether through buyback and extinguishment or direct redemption);
- 9) To perform all activities with regard to fund raising by various methods/means/ options under the authority of Board and Shareholders; and
- 10) To do all such acts, deeds as the Board may delegate in connection with the capital and fund raising exercise and early redemption of bond/debenture/ Medium term note and other securities which represent debt on the Bank (whether through buyback and extinguishment or direct redemption) and take all steps which are incidental and ancillary in this connection.

**i. Meeting of the Independent Directors:**

In terms of provisions of Schedule IV of the Companies Act, 2013 and SEBI LODR, the performance of Non-Independent Directors including Managing Director and Executive Director, the Board as a whole and the Chairperson of the Bank was discussed by the Independent Directors in their separate meeting held on March 10, 2023, and it was agreed between them to formalise

the performance evaluation process. In the said Meeting, the Independent Directors also assessed the quality, quantity, and timeliness of flow of information between the Management and the Board, in accordance with Para VII to Schedule IV of the Companies Act, 2013. Thereafter, at the Meeting of Independent Directors held on April 22, 2023, the Independent Directors completed the performance evaluation of Non-Independent Directors including Managing Director and Executive Director, the Board as a whole and the Chairperson of the Bank.

The Meetings of the Independent Directors were held without the presence of Non-Independent Directors and members of Management.

**4. DISCLOSURES:**

**(a) Related Party Transactions:**

During the year, the Bank has entered into transactions with the related parties in the ordinary course of business. The Bank has not entered into any materially significant transactions with the related parties including Directors, Key Managerial Personnel, Subsidiaries or Relatives of the Directors, which could lead to a potential conflict of interest between the Bank and these parties. The details of the transactions with related parties, 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. Hence, there are no Related Party Transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements. Further, the Bank has submitted with the Stock Exchanges and also published on the Bank's website, disclosure on Related Party Transactions, drawn in accordance with applicable accounting standards as per the requirements of Regulation 23(9) of SEBI LODR for the half year ended September 30, 2022 and March 31, 2023 respectively.

The Board of Directors have 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 SEBI LODR. The same is displayed on the website of the Bank at [https://www.yesbank.in/pdf?name=policies\\_pdf6.pdf](https://www.yesbank.in/pdf?name=policies_pdf6.pdf).

**(b) Strictures and Penalties by statutory authority for last three financial years FY 2020-21, 2021-22 and 2022-23:**

**(i) SEBI AT-1 Bonds**

SEBI issued a Show Cause Notice dated October 28, 2020 to the Bank and other noticee(s) (ex-employees of the Bank) alleging violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. Thereafter, SEBI vide its order dated April 12, 2021 imposed a penalty of ₹ 25 crore on the Bank under Section 15HA of SEBI Act, 1992 for the alleged mis-selling of Additional Tier -1 Bonds in the secondary market. Penalties were also imposed on other noticee(s).

Aggrieved by the said above-mentioned SEBI order, the Bank and other noticee(s) preferred separate Appeal(s) before the Hon'ble Securities Appellate Tribunal, Mumbai ("SAT"). On May 18, 2021, SAT was pleased to stay the effect and operation of the SEBI order dated April 12, 2021. After multiple adjournments, the Appeals are now listed on July 25, 2023 for hearing.

**(ii) Mis-use of client securities**

On January 22, 2021, the Bank received a Show Cause Notice ("SCN") from NSE Clearing Limited ("NCL") informing that they had conducted a Limited Purpose Inspection of the Bank with respect to trading member Action Financial Services (India) Limited ("AFSIL") to find out whether there has been an event of mis-use of client securities. Accordingly, it was observed that the Bank had sold client securities amounting to ₹ 1.95 crore and hence is in violation of SEBI Circular(s) and Regulation(s). Thereafter, on May 03, 2021, NCL passed an order against the Bank to reinstate the securities wrongfully disposed of as detailed in the SCN and imposed a penalty of ₹ 1.95 lakh. NCL also directed the Bank to comply with the order within 15 days from the date of receipt of the order.

Aggrieved by the NCL order dated May 03, 2021, the Bank preferred an Appeal before the Securities Appellate Tribunal, Mumbai ("SAT"). SAT vide its order dated May 17, 2021 was pleased to stay the effect and operation of the NCL order dated May 03, 2021. The Appeal was heard in detail and is now reserved for orders.

**(iii) Nil Divergences**

In the matter of disclosure to the exchanges regarding Nil Divergences in the Bank's Assets classification and provisioning from the RBI norms the Bank along with other noticees, without admitting the guilt, filed Settlement Application(s) under SEBI (Settlement Proceedings) Regulations, 2018 with the Settlement Division of SEBI on April 21, 2021 (online) and April 29, 2021 (hard copy). After further proceedings, SEBI vide e-mail dated August 23, 2021 directed the Bank along with other Noticees to make payment of the Settlement Amount on joint or several liability basis, within 30 days. The Bank had made payment of the Settlement Amount of ₹ 16,537,500/- on August 27, 2021. Thereafter, SEBI vide order dated September 14, 2021, was pleased to dispose of the adjudication proceedings initiated against the Bank and other noticees vide SCN dated October 26, 2020.

SEBI had issued a show cause notice dated October 26, 2020 to the Bank and its Officials in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15I of SEBI Act and to inquire into and adjudge under Section 15HA of the SEBI Act 1992 the alleged violation of the provisions of Section 12A (c) of the SEBI Act and Regulation 3(a), 3(d), 4(1), 4(2)(k) and 4(2)(r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 committed by the Bank and its Officers with regard to disclosure to the exchanges regarding 'Nil' Divergence in Asset Classification and Provisioning for Position as at March 31, 2018.

**(c) Vigil Mechanism/ Whistle Blower Policy:**

In compliance with the provisions of Companies Act, 2013 and SEBI LODR 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 non-adherence to the Code of Conduct, suspected/actual fraud, corruption, misuse of

office, criminal offences, financial irregularities etc., without fear of reprisals and to provide for independent investigation. The framework of the policy endeavours 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 concerns can be raised through 'Corporate Whistle Blower Initiative' (CWI) portal, which is an independent online reporting service aimed at facilitating a secure communication between the Whistle Blower and independent Whistleblower Committee constituted by the Bank. The policy has provisions to safeguard Whistle Blower against victimisation. As a responsible and vigilant organisation, the Bank encourages responsible and fearless reporting of genuine concerns or grievances and also provides for direct access to the Chairperson of the Audit Committee, in exceptional cases. The functioning of the Vigil Mechanism is reviewed by the Audit Committee regularly. None of the Whistle Blowers have been denied access to the Audit Committee. The details of the Whistle Blower Policy are available on the website of the Bank at <https://www.yesbank.in/pdf?name=whistleblowerpolicy.pdf>.

**(d) Compliance with Mandatory Requirements of the SEBI LODR & Adoption of Non-mandatory Requirements of the SEBI LODR:**

The Board of Directors review the compliance of all applicable laws every quarter. The Bank has in place a compliance framework for adherence to the mandatory requirements of Corporate Governance norms as specified in Regulations 17 to 27 and clauses (b) to (i) and [(t)] of sub-regulation (2) of Regulation 46 of the SEBI LODR to the extent applicable to the Bank.

In addition to the mandatory requirements, the Bank has also adopted the following non-mandatory requirements as suggested in Part E of Schedule II read with Regulation 27(1) of the SEBI LODR:

- A. The Board:** The Bank has a non-executive Chairperson who is entitled to maintain an office at the Bank's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- B. Shareholder Rights:** A half-yearly declaration of financial performance including summary of the significant events in last six-months though are not being sent to each household of shareholders, the same are presented

to Investors/Analysts in their meeting and issued as a press release to reach out to the general public. The copy of the presentation is also made available on Bank's website for shareholders information.

- C. Modified opinion(s) in audit report:** The financial statements of the Bank for FY 2022-23 are with unmodified audit opinion.
- D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** The Bank has appointed separate persons to the post of the Chairperson and the Managing Director and CEO. Further, the Chairperson of the Bank is Non - Executive Director and not related to the Managing Director and CEO of the Bank as per the definition of the term "relative" defined under the Companies Act, 2013.
- E. Reporting of Internal Auditor:** The Chief Internal Auditor of the Bank reports directly to the Audit Committee.

**(e) Subsidiary Companies:**

The Bank did not have any material subsidiary during the FY 2022-23. The Bank has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the SEBI LODR and the same is displayed on the website of the Bank at [https://www.yesbank.in/pdf?name=Policy\\_for\\_Determining\\_Material\\_Subsidiaries.pdf](https://www.yesbank.in/pdf?name=Policy_for_Determining_Material_Subsidiaries.pdf).

The Bank has one Wholly Owned Subsidiary as at March 31, 2023 viz., YES Securities (India) Limited ("YSIL/Subsidiary").

The Financial Statements (including the audited Annual Financial Statements) of the Subsidiary and the investments made by the unlisted subsidiary were placed at the meetings of the Audit Committee of the Bank on quarterly basis. Further, the minutes of the meetings of the Board of Directors of the subsidiary were placed at the meetings of the Board of Directors of the Bank on quarterly basis for their noting. Statement of significant transactions/ arrangements entered into by the unlisted subsidiary company of the Bank were also placed at the meetings of the Board of Directors of the Bank on quarterly basis, for their review.

**(f) Disclosure of commodity price risks and commodity hedging activities:****Information on the commodity price risk or foreign exchange risk and hedging activities in the Bank:**

The Bank has a Board approved Market Risk policy which defines risk control framework for undertaking any Commodity price risk and Foreign exchange risk. Vide Market Risk policy, Board of the Bank has defined overall Net Overnight Open Position (NOOP) Limit, Stop Loss Limit, Aggregate Gap limit (AGL), Value at Risk (VaR) limit to control the Commodity Price / Foreign exchange risk within its risk control framework. The Bank has not undertaken any commodity price risk during the period. The Bank has undertaken all commodity transactions on back to back basis. Further, the Bank has not exceeded any of its Board approved risk limit framework with respect to Foreign Exchange Risk during the period.

The Bank uses Derivatives including Forwards & swaps for hedging its currency risk in its balance sheet, customer offerings and proprietary trading in compliance with overall risk limit and control framework. The management of these products and businesses is governed by Board approved Market Risk Policy, Investment Policy, Derivatives Policy, Hedging Policy and ALM policy of the Bank.

**Whether the commodity price risks and commodity hedging activities are disclosed to the shareholders / public:**

The Bank has not undertaken any commodity price risk during the period. The Bank has undertaken all commodity transactions on back to back basis.

**(g) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI LODR:**

During the FY 2022-23, Bank has raised funds through Preferential Allotment amounting to ₹ 6,041.69 crore, comprising of allotment of Equity Shares (₹ 5,093.30 crore) and application amount of 25% on Warrants convertible into equal number of Equity shares (₹ 948.39 crore). Each Share Warrant is convertible to one fully paid equity share of the Bank, upon exercise of the option by paying the remaining 75% within 18 months of allotment. The funds raised through such Preferential Allotment were utilised for the purpose for which they were issued. In addition, during the FY 2022-23, no funds were raised through Qualified Institution Placements.

**(h) Certificate under Regulation 34(3) of SEBI LODR:**

The Bank has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the SEBI LODR, from M/s. BNP & Associates, Practicing Company Secretaries, Mumbai, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate forms part of this report.

**(i) Recommendations of Committee not accepted by Board:**

There are no recommendations of the Committees that are not accepted by the Board of Directors.

**(j) Fees paid to Statutory Auditors:**

The total fees incurred by the Bank and its subsidiary on a consolidated basis for the year ended March 31, 2023, for services rendered by Statutory auditors is given below:

Amount in (₹)				
Company	Audit Fee	Certification Fee	Out of Pocket Expenses	Total
YBL	35,000,000	5,995,000	1,024,438	42,019,438
Subsidiary	15,55,000	45,000	27,439	16,27,439

**Note:**

- » No services have been availed from network firm of statutory auditor
- » Above numbers does not include taxes which are paid on actual basis

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Particulars	No. of Complaints
Number of Complaints carried forward from last year (FY22)	01
Number of Complaints filed during the Financial Year (FY23)	20
Number of Complaints disposed of during the Financial Year (FY23)	15
Number of Complaints pending as on the end of the Financial Year (FY23)	6*

\*Investigation in the matter of pending cases has been completed and further action is in progress which will be completed within the statutory timelines

**(k) Code of Business Conduct and Ethics:**

The Board has formulated and adopted Code of Business 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 March 10, 2023 and also has been hosted on the website of the Bank at [https://www.yesbank.in/pdf?name=Code\\_of\\_Business\\_Conduct\\_Ethics\\_for\\_the\\_Board\\_of\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.yesbank.in/pdf?name=Code_of_Business_Conduct_Ethics_for_the_Board_of_Directors_and_Senior_Management.pdf).

The declaration signed by the Managing Director & CEO of the Bank stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed and forms part of this Report.

**(l) Compliance Certificate for the Corporate Governance:**

The Bank has obtained certificate affirming the compliance of conditions of Corporate Governance from M/s. BNP & Associates, Practicing Company Secretaries, Mumbai which forms part of this report. M/s. BNP & Associates has confirmed that the Bank has complied with the conditions of Corporate Governance as prescribed under SEBI LODR.

**(m) Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:**

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year - Nil
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - Nil
- Number of shareholders to whom shares were transferred from suspense account during the year - Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - Nil
- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares - N.A

**(n) Managing Director & CEO / CFO Certification:**

The Managing Director & CEO and the Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI

LODR, for the FY 2022-23 and the same was placed before the Board of Directors at its meeting held on April 22, 2023.

The Certificate certifies 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.

**(o) Code of Conduct for Prohibition of Insider Trading:**

The Bank has formulated the Code of Conduct for Prohibition of Insider Trading ("Bank's Code"), in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "PIT Regulations"), as amended from time to time, to regulate, monitor and report trading by the Designated Persons specified therein and their Immediate Relatives in securities of the Bank and for dealing in securities listed or proposed to be listed (other than securities of the Bank), by the Designated Persons specified therein and their Immediate Relatives, and enumerating practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Thus, Bank endeavours to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information. The Bank is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all relevant laws and regulations.

Accordingly, the Bank's Code ensures that the UPSI is not communicated except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The Bank's Code also ensures curbing of fraudulent and unfair practices relating to securities market.

The Bank under the Code maintains a Structured Digital Database ("SDD") containing the nature of UPSI, names of such persons who have shared the UPSI along with names of such persons or entities, as the case may be, with whom UPSI is shared under this Code. Additionally, for the ease of convenience of the Designated Persons and as a part of Bank's digitisation initiative, the reporting mechanism/ process which facilitates Designated Person in reporting of transactions in Securities of the Bank and seeking of pre-clearance for trading in securities other than YES BANK securities, was automated by the Bank, which can be accessed by the Designated Person through intranet. The system allows employees to submit online disclosures while dealing in the Securities of the Bank, i.e. submission of initial disclosures, obtaining of pre-clearances and submission of periodic declarations and to obtain pre-clearance for trading in any other securities. Thus, enabling the Compliance Officer in monitoring of transactions, for certain acts of omissions/ commissions on the part of the Designated Person and to take appropriate actions as per the SEBI PIT Regulations and Bank's Code.

Further, based on the Board approved penalty matrix all identified violations are being reported to the Disciplinary Committee for its action(s) which may result into monetary implications depending on the instance and nature of violation.

Also, the Bank reports to the Stock Exchanges, violations by the Designated Persons as concluded by Disciplinary Committee of the Bank in the format as prescribed by SEBI.

The Bank from time to time creates awareness through webinars, quiz, e-mails, mandatory declaration amongst the Designated Persons on the compliance and obligation requirements under the SEBI PIT Regulations read with the Bank's Code.

**(p) Dividend Distribution Policy:**

In terms of the provisions of Regulation 43A of the SEBI LODR, the Board of Directors of the Bank has formulated and approved the Dividend Distribution Policy with the objective of providing clarity to its stakeholders on the profit distribution strategies of the Bank. The Policy is in line with the parameters prescribed thereunder for payment / distribution of dividend to the shareholders.

The Dividend Policy of the Bank states that the Bank shall recommend first dividend payout post moratorium only after the Bank has demonstrated profitability for a continuous period of three successive financial years. In FY 2022-23, the Bank posted second straight year of full year profitability since the adoption of the revised policy post moratorium. However, the above clause still stands unfulfilled, on account of which, the Board of Directors of the Bank has not recommended any dividend for the FY 2022-23. 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/pdf?name=dividend\\_policy\\_pdf.pdf](https://www.yesbank.in/pdf?name=dividend_policy_pdf.pdf).

**(q) Integrated Reporting:**

SEBI had 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. Since FY 2015-16, the Bank has taken steps to adopt key elements of the International Integrated Reporting Council's Integrated Reporting (IR) framework as part of its Annual Report. YES BANK's Annual Integrated Report for FY 2022-23 is fully aligned with the requirements of the IR framework and is externally assured by KPMG Assurance and Consulting Services LLP.

**(r) Accounting Treatment:**

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 Companies (Accounting Standards) Rules, 2021 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.

## 5. GENERAL BODY MEETINGS

### (a) The details of General Body Meeting(s) for the previous three financial years held and the Special Resolutions passed therein:

Meeting Type, Day, Date and time	Special Resolution
Extra-Ordinary General Meeting* - Friday, August 24, 2022 at 11:00 AM	<ol style="list-style-type: none"> <li>To increase the authorised share capital of the Bank and consequent alteration of capital clause of the Memorandum of Association of the Bank</li> <li>Approval for amendment to the Articles of Association of the Bank</li> <li>Issue of Investor Equity Shares and Investor Warrants, on a preferential basis</li> <li>To appoint Mr. Rama Subramaniam Gandhi (DIN - 03341633) as an Independent Director</li> </ol>
18 <sup>th</sup> Annual General Meeting* - Friday, July 15, 2022 at 10:30 AM	<ol style="list-style-type: none"> <li>To authorise capital raising through an issuance of debt instruments</li> <li>To approve amendments to the Employees Stock Option Scheme of the Bank, namely YBL Employee Stock Option Scheme 2020</li> <li>To Appoint Mr. Atul Malik (DIN - 07872539) as an Independent Director</li> <li>To Appoint Ms. Rekha Murthy (DIN - 07825183) as an Independent Director</li> <li>To Appoint Mr. Sharad Sharma (DIN - 05160057) as an Independent Director</li> <li>To appoint Ms. Nandita Gurjar (DIN - 01318683) as an Independent Director</li> <li>To appoint Mr. Sanjay Kumar Khemani (DIN - 00072812) as an Independent Director</li> <li>To appoint Mr. Sadashiv Srinivas Rao (DIN - 01245772) as an Independent Director</li> </ol>
17 <sup>th</sup> Annual General Meeting* - Friday, August 27, 2021 at 11:00 AM	<ol style="list-style-type: none"> <li>To authorise capital raising through issuance of debt securities</li> </ol>
16 <sup>th</sup> Annual General Meeting* - Thursday, September 10, 2020 at 11:00 AM	<ol style="list-style-type: none"> <li>To approve Alteration of the Articles of Association of the Bank</li> <li>To approve amendments to Employee Stock Options Scheme - 'YBL ESOS - 2018'</li> </ol>

\* In compliance with the provisions of the Ministry of Corporate Affairs ('MCA') General Circular No. 3/2022 dated May 5, 2022 read with Circular Nos. 14 & 17/2020 dated April 8, 2020 and April 13, 2020 read with General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No. 10/2022 dated December 28, 2022, and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the Company conducted the AGM through Video Conferencing /Other Audio Visual Means ('VC'/'OAVM').

Further, in accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('ICSI') read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM are deemed to be conducted at the Registered Office of the Bank being the deemed venue of the AGM.

### (b) Passing of Resolution through Postal Ballot:

During the Financial Year 2022-23, the Bank approached the Shareholders through Postal Ballot for passing of the following Resolutions:

#### Resolutions approved by Shareholders:

##### i. Date of Postal Ballot Notice: February 3, 2023

Voting Period: February 8, 2023 at 10:00 AM to March 9, 2023 at 05:00 PM

Date of declaration of result: March 9, 2023

Date of Approval: March 9, 2023

The Board of Directors of the Bank had appointed Ms. Ashwini Inamdar, Partner of M/s. Mehta & Mehta, Company Secretaries, and failing her, Mr. Atul Mehta, Partner, M/s. Mehta & Mehta, Company Secretaries, as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

Name of resolution	Type of resolution	No. of votes polled	Vote cast in favour		Vote cast in against	
			No. of votes	%	No. of votes	%
To take note of appointment of Mr. Rama Subramaniam Gandhi (DIN - 03341633) as Non-Executive Part-Time Chairperson of the Bank and to approve payment of Remuneration.	Ordinary Resolution	16,093,947,807	16,048,888,241	99.72	45,059,566	0.28
To approve the appointment and Remuneration of Mr. Prashant Kumar (DIN - 07562475) as Managing Director & Chief Executive Officer of the Bank for a period of 3 years w.e.f. October 06, 2022 to October 05, 2025 and revised remuneration for period from April 01, 2022 to July 15, 2022 as Managing Director & Chief Executive Officer under "YES BANK Limited Reconstruction Scheme, 2020" and from July 16, 2022 to October 05, 2022 as Interim Managing Director & Chief Executive Officer.	Ordinary Resolution	16,087,262,945	15,957,731,198	99.19	129,531,747	0.81
To approve appointment of Mr. Sunil Kaul (DIN: 05102910) as a Non-Executive Director.	Ordinary Resolution	16,125,974,719	14,232,073,592	88.26	1,893,901,127	11.74
To approve appointment of Ms. Shweta Jalan (DIN: 00291675) as a Non-Executive Director.	Ordinary Resolution	16,125,914,047	14,231,558,610	88.25	1,894,355,437	11.75
To approve appointment of Mr. Rajan Pental (DIN - 08432870) as a Director.	Ordinary Resolution	16,092,615,557	16,059,696,598	99.80	32,918,959	0.20
To approve the appointment and remuneration of Mr. Rajan Pental (DIN - 08432870) as an Executive Director of the Bank.	Ordinary Resolution	16,087,058,893	15,972,573,280	99.29	1,14,485,613	0.71

No special resolution is proposed to be passed through postal ballot.

### (c) Procedure for Postal Ballot:

#### Equity shares:

In compliance with provisions of Sections 108 and 110 of the Companies Act, 2013, Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17 / 2020 dated April 13, 2020, in relation to extension of framework "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid - 19", and General Circular No. 11/2022 dated December 28, 2022, in relation to extension of the framework provided in the aforementioned circulars up to September 30, 2023 ("MCA Circulars"), issued by the Ministry of Corporate Affairs, Government of India, Regulation 44 of the SEBI LODR, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") and pursuant to such other applicable laws, the Bank provides e-voting facility to all its Members to



enable them to cast their votes electronically on the matters included in Postal Ballot Notice, instead of dispatching the Postal Ballot Form by post.

The Bank had engaged the services of National Securities Depository Limited for all the Postal Ballot conducted for the purpose of providing remote e-voting facility to all its Members.

The Board of Directors of the Bank had appointed Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

In view of the extraordinary circumstances due to COVID-19 pandemic requiring social distancing, MCA in terms of its General Circulars, had advised the companies to take all decisions of urgent nature requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of Postal Ballot/E-Voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. Moreover, in terms of the General Circulars, the Bank had sent Postal Ballot Notice by e-mail to all its members who have registered their e-mail addresses with the Bank or Depository/ Depository Participants and the communication of assent / dissent of the members were taken place through the remote e-voting system. Accordingly, the Postal Ballot Exercise was in compliance with the General Circulars.

The Postal Ballot Notice was sent to all those Members whose names appear on the Register of Members / Statements of Beneficial Holders provided by the Depositories as on the cut-off date.

The Bank had also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the aforesaid provisions of the Act and the said Rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the said cut-off date. Members desiring to exercise their votes were requested to exercise their vote using the remote e-voting facility before

the close of business hours on the last date of e-voting as set out in the Postal Ballot Notice.

The Company Secretary was authorised by the Chairperson to receive the Scrutinisers Report, countersign the same and declare the result of the Postal Ballot. The Company Secretary received the Report, submitted by the Scrutiniser after verification of the records, countersigned the same and declared the consolidated results of the e-voting.

Subsequently, the said results alongwith the report of the Scrutiniser were disclosed to the Stock Exchanges within 2 working days of such declaration, in terms of Regulation 44(3) of the SEBI LODR and uploaded on the website of the Bank. The resolutions, passed by requisite majority, were deemed to have been passed on the last date specified by the Bank for receipt of duly completed postal ballot forms or e-voting.

**(d) Means of Communication:**

The Bank has provided adequate and timely information to its members inter-alia through the following means:

- (1) Quarterly Results are announced through a Press Conference and/or a Press Release sent to leading media publications as well as regulatory notice advertisement.
- (2) The Financial Results, Official News Releases and Presentations are also displayed on the website of the Bank at <https://www.yesbank.in/about-us/investor-relations/financial-information/financial-results>.
- (3) Financial Results are published in Financial Express and Navshakti Newspaper.
- (4) The presentations made to Institutional Investors and Financial Analysts on the Company's Financial Results are displayed on the website of the Bank at <https://www.yesbank.in/about-us/investor-relations/financial-information/financial-results>. The Bank also informs the Schedule of meeting with the Institutional Investors and Financial Analysts to the Stock Exchanges. No unpublished price sensitive information is discussed in the presentation made to Institutional Investors and Financial Analysts.

- (5) 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](http://www.bseindia.com) and the National Stock Exchange of India Limited (NSE) at [www.nseindia.com](http://www.nseindia.com).
- (6) Filings were also made to the London Stock Exchange, Singapore Stock Exchange and India International Exchange (IFSC) Limited.
- (7) 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.
- (8) Documents like Notices of General Meetings, Annual Reports, Electronic Clearing System (ECS) advises for Dividends, etc. are sent to the shareholders at their e-mail address, as registered with their Depository Participants / Company / Registrar & Transfer Agents (RTA). This helps prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.
- (9) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- (10) Periodically reminders to the shareholders are sent for claiming unclaimed dividend.

**(e) Changes in Equity Share Capital of the Bank:**

As at March 31, 2023 the paid-up equity share capital of the Bank was comprising of 28,75,47,75,334 (Two Thousand Eight Hundred and Seventy Five crore Forty-Seven lakh Seventy Five Thousand Three Hundred and Thirty Four) equity shares of ₹ 2/- each aggregating to ₹ 57,50,95,50,668/- (Rupees Five Thousand Seven Hundred and Fifty crore Ninety Five lakh Fifty Thousand Six Hundred and Sixty Eight Only).

The table below gives details of equity evolution of the Bank during the year under review:

Sr. No.	Date of Allotment	Type of Issue	No. of Equity Shares Allotted	Face Value (in ₹)	Cumulative Equity Share Capital (No. of Shares)
1.	April 27, 2022	ESOP	28,000	2.00	25,05,49,80,981
2.	August 24, 2022	ESOP	1,93,750	2.00	25,05,51,74,731
3.	September 18, 2022	ESOP	6,52,000	2.00	25,05,58,26,731
4.	October 19, 2022	ESOP	2,67,250	2.00	25,05,60,93,981
5.	November 24, 2022	ESOP	4,76,000	2.00	25,05,65,69,981
6.	December 13, 2022	Preferential	3,69,61,55,702	2.00	28,75,27,25,683
7.	December 17, 2022	ESOP	6,01,701	2.00	28,75,33,27,384
8.	January 19, 2023	ESOP	10,68,200	2.00	28,75,43,95,584
9.	February 21, 2023	ESOP	2,13,650	2.00	28,75,46,09,234
10.	March 16, 2023	ESOP	1,66,100	2.00	28,75,47,75,334

**(f) Dividend:**

During FY 2022-23, the Board of Directors of the Bank has not recommended any dividend on equity shares.

**(g) Transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:**

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") all equity shares in respect of which dividend has remained unpaid or unclaimed for consecutive seven (7) years, the corresponding equity shares have been transferred in the name of IEPF Authority as notified by the Ministry of Corporate Affairs (MCA), Government of India.

In compliance with the aforesaid provisions, your Bank in August, 2022 have transferred 31736 (Thirty-One Thousand Seven Hundred and Thirty-Six) Equity Shares of ₹ 2/- to the IEPF Authority.

As per the terms of Section 124(6) of the Companies Act, 2013 and Rule 7 of the IEPF Rules, the shareholders whose corresponding equity shares have been transferred to IEPF account can claim those shares from IEPF Authority by making an online application in Form IEPF-5 which is available at <https://www.iepf.gov.in>.

#### Guidelines to file your claim:

- For claiming the shares and dividend from the IEPF Authority, shareholders can make an online web based application through MCA portal. Shareholders need to register themselves on MCA portal by creating Login ID credentials. After successful login into MCA portal, shareholders have to click on "MCA Services" tab and choose "IEPF-5" option under "Investor Services" and follow the due process for filing the form.
- Printout of the duly filled Form IEPF-5 with claimant and joint holders' (if any) signature and along with the acknowledgment issued after uploading the form will have to be submitted together with an indemnity bond in original, cancelled Cheque leaf of active bank account (details of which are mentioned by the claimant at the time of uploading the web-based form), and other documents as mentioned in Form IEPF-5 to the Nodal Officer (IEPF) of the Bank in an envelope marked "Claim for refund from IEPF Authority".

Certain information about the Bank which will have to be submitted are as under:

- Corporate Identification Number (CIN) of the Bank: L65190MH2003PLC143249
- Name of the Bank: YES BANK Limited
- Address of registered office of the Bank: YES BANK House, Off Western Express Highway, Santacruz (East), Mumbai- 400055
- Email ID of the Bank: [shareholders@yesbank.in](mailto:shareholders@yesbank.in)

#### (h) Unclaimed Dividends:

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 ("IEPF Rules"), the Bank is statutorily required to transfer to the Investor Education and Protection Fund (IEPF), all dividends remaining unclaimed for a period of seven (7) years from the date they became due for payment. Dividends for and up to the financial year ended March 31, 2015 have already been transferred to the IEPF and the dividend for the financial year ended March 31, 2016 will be transferred to the IEPF after July 6, 2023 within the timelines as specified in the IEPF Rules.

In compliance with the aforesaid provisions, your Bank in July 2022 have transferred dividends amounting to ₹ 18,29,394/- (Rupees Eighteen lakh Twenty-Nine Thousand Three Hundred Ninety-Four Only) for the Financial Year ended March 31, 2015.

The details of unclaimed dividends for the financial year ended 2016 onwards and the last date for claiming such dividends are given hereinafter:

Dividend for the year ended	Date of Declaration of Dividend	Last date of claiming Dividend
March 31, 2016	June 07, 2016	July 06, 2023
March 31, 2017	June 06, 2017	July 05, 2024
March 31, 2018	June 12, 2018	July 11, 2025
March 31, 2019	June 12, 2019	July 11, 2026

#### Intimation to the Investors for claiming of Dividends:

During the year under review the Bank has undertaken the following initiatives to reduce the quantum of unpaid/unclaimed dividend:

- Annual voluntarily reminders to the concerned shareholders to claim dividend; and
- direct credit of unpaid/unclaimed dividend to those shareholders' accounts, who have updated their bank account details with the Bank/Depository Participant

#### (i) Queries at Annual General Meeting:

Shareholders who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Bank's e-mail-id : [AGM@yesbank.in](mailto:AGM@yesbank.in) with regard to the accounts at least 48 hours before the time fixed for the AGM mentioning their name, demat account number/folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Bank to answer the same suitably depending on the availability of time at the AGM.

**(j) Details of utilisation of funds:**

During the FY 2022-23, Bank has raised funds through Preferential Allotment amounting to ₹ 6,041.69 crore, comprising of allotment of Equity Shares (₹ 5,093.30 crore) and application amount of 25% on Warrants convertible into equal number of Equity shares (₹ 948.39 crore). Each Share Warrant is convertible to one fully paid equity share of the Bank, upon exercise of the option by paying the remaining 75% within 18 months of allotment. The funds raised through such Preferential Allotment were utilised for the purpose for which they were issued. In addition, during the FY 2022-23, no funds were raised through Qualified Institution Placements.

**(k) Policies of the Bank:**

As a part of good Corporate Governance, the Bank has from time to time adopted various policies/codes which are hosted on the website of the Bank at <https://www.yesbank.in/about-us/corporate-governance>.

**6. GENERAL SHAREHOLDERS INFORMATION:**

The date, time and venue of the 19<sup>th</sup> Annual General Meeting of the Bank, is as under:

**(d) Listing on Stock Exchanges, ISIN & Stock Code:**

The Securities of the Bank are listed on following stock exchanges.

**Domestic Listing – New ISIN INE528G01035 | Old ISIN-INE528G01027 (Equity)**

(Equity Shares)

**National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C - 1, Block G,  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051.  
Stock Code: YESBANK

(Equity Shares & Debt Securities)

**BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001.  
Stock Code: 532648

**Note:**

- (1) Listing Fees for the FY 2022-23 has been paid to the above-mentioned Stock Exchanges.
- (2) The Securities 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)\*****The Singapore Exchange Securities Trading Ltd.**

2, Shenton Way #19-00  
SGX Centre 1, Singapore 068804

**The London Stock Exchange**

International Securities Market  
10, Paternoster Square, London, EC4M 7LS,  
United Kingdom.

**India International Exchange (IFSC) Limited**

101 First Floor, Hiranandani Signature Tower,  
GIFT City IFSC – 382355, Gujarat, India

\* The Medium Term Note bonds (“MTN”) have matured during the financial year and there are no outstanding MTN bonds listed on International Exchanges under the MTN program.

As at March 31, 2023, none of the securities of the Bank are listed on the international exchanges.

**Date:** August 18, 2023

**Time:** 11:00 A.M.

**Venue:** Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) the deemed venue of the meeting is the Registered Office of the Bank situated at YES BANK House, Off Western Express Highway, Santacruz East, Mumbai – 400 055, Maharashtra, India.

**(a) Financial Year:**

The Financial Year of the Bank starts on April 1 and ends on March 31 of next year.

**(b) Cut-off Date:**

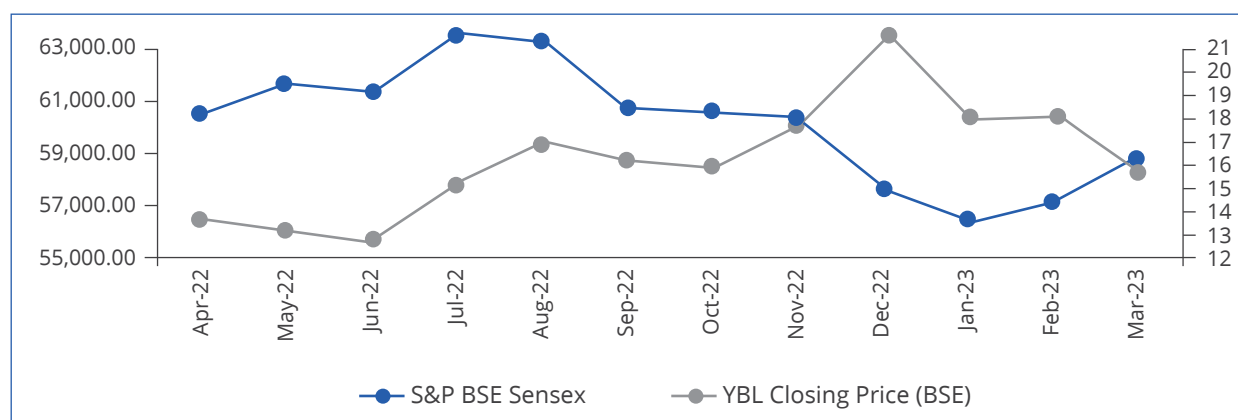
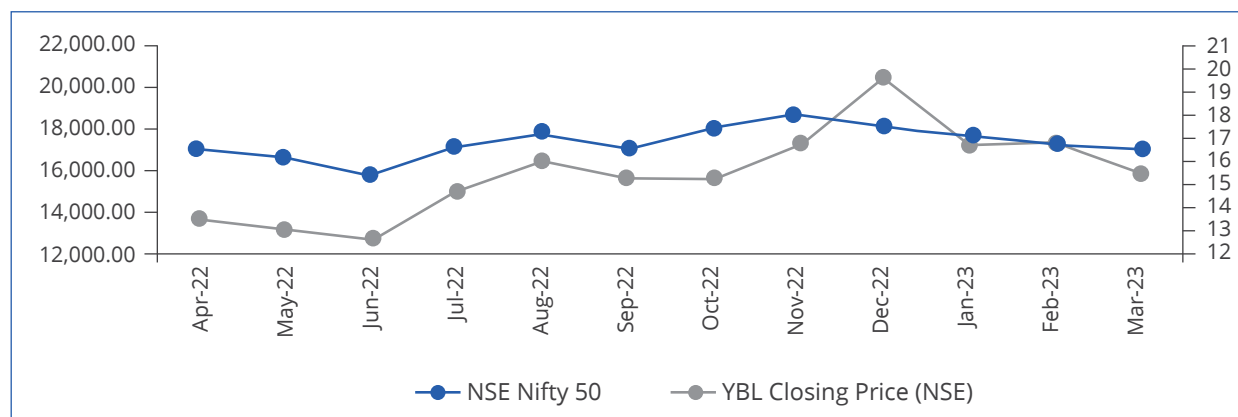
The Cut Off Date for determining shareholders who will be entitled to vote electronically on the resolutions mentioned in the Notice convening the Annual General Meeting by remote e-Voting and also vote on AGM date at the appointed time is mentioned in the AGM Notice.

**(c) Dividend Payment Date:**

The Board of Directors of the Bank has not recommended any Dividend for the FY 2022-23.

**(e) Market Price Data: High, Low during each month in last financial year:**

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-22	16.25	12.25	3,280,664,227	16.25	12.23	499,942,067
May-22	14.50	12.45	2,023,047,951	14.51	12.44	365,429,754
Jun-22	13.55	12.25	956,195,590	13.56	12.26	192,445,948
Jul-22	15.30	12.55	1,782,640,490	15.28	12.56	381,332,264
Aug-22	17.90	14.75	3,747,870,111	17.88	14.75	619,695,320
Sep-22	18.20	15.35	2,563,875,956	18.20	15.35	380,185,079
Oct-22	16.85	15.30	1,172,728,948	16.80	15.35	136,120,271
Nov-22	17.55	15.25	1,998,959,787	17.55	15.25	247,654,727
Dec-22	24.75	17.00	10,556,195,520	24.75	16.95	993,741,428
Jan-23	22.40	16.75	4,463,511,578	22.40	16.75	480,965,326
Feb-23	17.65	16.00	2,464,152,163	17.65	16.00	256,687,055
Mar-23	18.60	14.40	4,063,921,131	18.60	14.40	680,566,642

**(f) Performance of the Bank's Equity Shares as compared with Indices:**
**YBL vis-a-vis SENSEX - F.Y. 2022-23**

**YBL vis-a-vis NIFTY - F.Y. 2022-23**


**(g) Registrar and Share Transfer Agents:****EQUITY****KFIN Technologies Limited**

Selenium Building, Tower B, Plot 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi,  
Telangana - 500032  
Phone No: 040- 6716 2222  
Fax No: 040-2300 1153  
Contact Person: Ms. Shobha Anand /  
Mr. Sridhar B  
E-mail: [einward.ris@kfin.com](mailto:einward.ris@kfin.com)

**MEDIUM-TERM NOTE****The Hongkong and Shanghai Banking Corporation Limited**

Level 30, HSBC Main Building,  
1 Queen's Road Central, Hong Kong.

**DEBT****Link Intime India Private Limited**

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  
E-mail: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

**(h) Share Transfer System:**

The Board-level Stakeholders Relationship Committee examines and redresses investors' grievances. The status of investors' grievances and share transfers are reported to the Stakeholders' Relationship Committee.

As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/splitting/ consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only.

Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shareholders should communicate with KFIN Technologies Limited, the Company's Registrars & Share Transfer Agent at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) in quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

**Updation of Permanent Account Number (PAN) and Bank Details:**

The Bank had sent individual letters to all the Members holding shares of the Bank in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_POD-1/P/CIR/2023/37 dated March 16, 2023 (read with clarification issued on 14<sup>th</sup> December 2021). The aforesaid communication is available on the website of the Bank. Attention of the Members holding shares of the Bank in physical form is invited to go through the said important communication

under the web link at [https://www.yesbank.in/pdf?name=normsforprocessinginvestorservice\\_pdf.pdf](https://www.yesbank.in/pdf?name=normsforprocessinginvestorservice_pdf.pdf)

Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website under the link at [https://www.yesbank.in/pdf?name=normsforprocessinginvestorservice\\_pdf.pdf](https://www.yesbank.in/pdf?name=normsforprocessinginvestorservice_pdf.pdf)

Members holding equity shares of the Bank in physical form are requested to get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

**Nomination facility for shareholding**

As per the provisions of Section 72 of the Companies Act, 2013 facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Bank's RTA or download the same from the Company's website through the weblink at [https://www.yesbank.in/pdf?name=normsforprocessinginvestorservice\\_pdf.pdf](https://www.yesbank.in/pdf?name=normsforprocessinginvestorservice_pdf.pdf).

Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

### Reconciliation of Share Capital Audit:

In terms of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002, as amended vide Circular No. CIR/MRD/DP/30/2010 dated September 6, 2010 an audit is conducted on a quarterly basis by Company Secretary in practice, for the purpose of inter alia, reconciliation of the total admitted equity share capital with the depositories and in the physical form with the total issued/paid up equity share capital of YES BANK Limited. The certificates issued in this regard were placed before the Board Meeting and filed with National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Bank are listed.

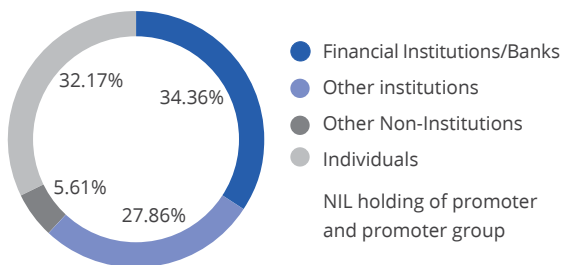
The Report in this regard has been duly submitted to Stock Exchanges viz., National Stock Exchange of India Limited and BSE Limited on a quarterly basis and placed before the Board of Directors of the Bank for its review.

#### (i) Distribution of Shareholding as at March 31, 2023:

Category	No. of shareholders	%	Total Shares	Amount	
				in ₹	% of Amount
1-5000	48,26,913	89.97	1,68,87,89,551	3,37,75,79,102	5.87
5001- 10000	2,47,383	4.61	91,32,61,996	1,82,65,23,992	3.18
10001- 20000	1,44,509	2.69	1,06,48,04,895	2,12,96,09,790	3.70
20001- 30000	53,748	1.00	67,57,30,321	1,35,14,60,642	2.35
30001- 40000	26,624	0.50	47,27,36,156	94,54,72,312	1.64
40001- 50000	15,280	0.28	34,79,71,425	69,59,42,850	1.21
50001- 100000	28,830	0.54	1,02,74,47,872	2,05,48,95,744	3.57
100001 & Above	21,481	0.40	22,56,40,33,118	45,12,80,66,236	78.47
<b>Total</b>	<b>53,64,768</b>	<b>100</b>	<b>28,75,47,75,334</b>	<b>57,50,95,50,668</b>	<b>100</b>

#### Shareholding Pattern as at March 31, 2023:

Sr. No.	Category	No. of Shares	% to total Share capital
<b>I</b>	<b>Promoter and Promoter Group</b>	<b>0</b>	<b>0.00</b>
<b>II</b>	<b>Public</b>	<b>28,75,47,75,334</b>	<b>100.00</b>
<b>II (A)</b>	<b>Financial Institutions /Banks</b>	<b>9,87,96,04,188</b>	<b>34.36</b>
(a)	State Bank of India	7,51,66,66,000	26.14
(b)	ICICI Bank Limited	75,01,50,770	2.61
(c)	Axis Bank Limited	45,22,60,269	1.57
(d)	IDFC First Bank Limited	28,86,27,680	1.00
(e)	Kotak Mahindra Bank Limited	38,00,00,000	1.32
(f)	Other Financial Institutions/ Banks	49,18,99,469	1.71
<b>II (B)</b>	<b>Other institutions</b>	<b>8,01,14,57,745</b>	<b>27.86</b>
(a)	Qualified Institutional Buyer	1,33,21,36,205	4.63
(i)	Life Corporation of India	1,24,83,65,988	4.34
(b)	Mutual Fund	3,32,19,829	0.12
(c)	Alternate Investment Fund	5,04,621	0.00
(d)	Foreign Portfolio Investor	2,93,63,91,891	10.21
(i)	Amansa Holding Private Limited	28,89,46,012	1.00
(e)	Foreign Direct Investment	3,69,61,55,702	12.85
(i)	CA Basque Investments	1,84,80,77,851	6.43
(ii)	Verventa Holdings Limited	1,84,80,77,851	6.43
(f)	Foreign Institutional Investor	1,30,49,497	0.05
<b>II (C)</b>	<b>Other Non-Institutions</b>	<b>1,61,37,66,433</b>	<b>5.61</b>
(a)	Bodies Corporate	1,53,35,79,814	5.33
(i)	Housing Development Finance Corporation Limited	1,00,00,00,000	3.48
(b)	NBFC	6,17,65,978	0.21
(c)	IEPF	2,23,395	0.00
(d)	Trusts	10,50,980	0.00
(e)	Clearing Members	1,71,46,266	0.06
<b>II (D)</b>	<b>Individuals</b>	<b>9,24,99,46,968</b>	<b>32.17</b>
(a)	Resident Individuals	8,56,34,76,158	29.78
(b)	Non-resident Indians	38,60,16,865	1.34
(d)	Foreign National	9,979	0.00
(e)	HUF	23,97,55,357	0.83
(f)	Employees	60187305	0.21
(g)	Directors & their relatives	5,01,304	0.00
<b>Total I + II</b>		<b>28,75,47,75,334</b>	<b>100.00</b>



**(j) Dematerialisation of shares and liquidity:**

The Equity shares of the Bank are to be compulsorily traded on the floor of the stock exchanges in electronic form by all investors.

As at March 31, 2023, out of total paid-up equity share capital of the Bank, 99.999% is held in dematerialised form and 0.001% is held in physical form.

Shareholders are requested to convert their physical holdings into electronic holdings which will negate risks associated with physical certificates.

**(k) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

The Bank does not have any Outstanding GDRs/ADRs as on date.

The Bank has issued 2,559,761,818 Warrants convertible into equity shares of face value ₹ 2 each on a preferential basis on December 13, 2022.

**(l) Commodity Price Risk or Foreign Exchange Risk and Hedging activities:**

The information on the Commodity Price Risk or Foreign Exchange Risk and Hedging activities is explained elsewhere in this report.

**(m) Plant Locations:**

Being a Banking Company, the Bank operates its business through a network of 1192 Branches; 150 BC Banking Outlets located across India and 1301 ATM's and Bunch Note Acceptor/ Recycler. The details of the Branch Addresses are available on the website of the Bank.

**(n) Address for Correspondence for investors:**

Mr. Shivanand R. Shettigar, Company Secretary  
YES BANK House, Off Western Express Highway,  
Santacruz East, Mumbai – 400 055. Tel: +91 (22) 5091  
9800, +91 (22) 6507 9800, Fax : +91 (22) 2619 2866  
Email: [shareholders@yesbank.in](mailto:shareholders@yesbank.in)

**(o) Credit Ratings and Change/Revisions in Credit Ratings for Debt Instruments:**

- CRISIL Rating was upgraded to “CRISIL A-” towards Basel III Tier II Bonds and Infrastructure bonds respectively and “CRISIL A1+” rating towards Certificate of Deposits in August 2022 and the same was maintained as at March 31, 2023.
- India Ratings upgraded Long term Issuer rating to “IND A-”, Bank’s Infrastructure Bonds to “IND A-”, and Basel III Tier II Bonds to “IND BBB+”, in August 2022 and the same were maintained as at March 31, 2023.
- ICRA upgraded the rating for Basel II Lower Tier II bonds, Basel III Tier II Bonds and Infrastructure bonds to “ICRA A-”, Basel II Tier I Bonds and Basel II Upper Tier II Bonds to “ICRA BBB+” and Basel III Additional Tier I Bonds to “ICRA BB” in August 2022 and same were maintained as at March 31, 2023.
- CARE upgraded the ratings for Infrastructure Bonds, Basel III Tier II Bonds and Lower Tier II Bonds to “CARE A-”, Upper Tier II Bonds to “CARE BBB” in October 2022 and the same were maintained as at March 31, 2023.
- Moody's upgraded the Bank's ratings to “Ba3” in August 2022 and same was maintained as at March 31, 2023 and outlook was stable.
- » • As at March 31, 2023, Outlook maintained by India Ratings is “Stable” and by CRISIL, ICRA and CARE is “Positive”

**(p) Debenture Trustee:**

**Axis Trustee Services Limited**

Axis Trustee Services Limited | The Ruby | 2<sup>nd</sup> Floor | SW | 29 Senapati Bapat Marg | Dadar west, Mumbai – 400 028

Contact Person: **Mr. Sameer Kabra, Assistant General Manager** Phone no: 022-6230 0430

Fax No: 022-24254200 66311776

For and on behalf of the Board of Directors

**YES BANK Limited**

Place: Mumbai  
Date: May 12, 2023

**Prashant Kumar**  
Managing Director & CEO  
(DIN 07562475)

**Rama Subramaniam Gandhi**  
Chairperson  
(DIN 03341633)



## COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS

I confirm that all the Directors and Members of the Senior Management have affirmed compliance with YES BANK'S Code of Business Conduct and Ethics for the Board of Directors and Senior Management.

For **YES BANK Limited**

**Prashant Kumar**

Managing Director & CEO  
(DIN No.: 07562475)

Date: May 12, 2023  
Place: Mumbai

## CEO / CFO CERTIFICATION

We, Prashant Kumar, Managing Director & CEO and Niranjana Banodkar, 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, 2023 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  
For **YES BANK LIMITED**

For **YES BANK LIMITED**

Place: Mumbai  
Date: April 22, 2023

**Prashant Kumar**  
Managing Director & CEO  
(DIN: 07562475)

**Niranjana Banodkar**  
Chief Financial Officer

## CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members,  
**YES BANK LIMITED**  
YES BANK HOUSE,  
Off Western Express Highway,  
Santacruz East,  
Mumbai – 400055

We, BNP & Associates have examined all relevant records of YES BANK Limited (hereinafter referred to as “the Bank”) as provided through the virtual data room for the purpose of certifying the compliance ensured by the Bank for disclosure requirements and corporate governance norms as specified for the Listed Companies, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR’), for the financial year ended 31<sup>st</sup> March 2023. We have obtained all the information and explanations, which, to

the best of our knowledge and belief are necessary for the purpose of this certification.

We state that completing compliance requirements of Corporate Governance is the responsibility of the management of the Bank, and our examination is limited to procedures and implementation thereof as adopted by the Bank for ensuring the compliance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as specified for a Listed Company in the LODR for FY 2022-23.

We further state that the above certification is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank during the financial year.

For **BNP & Associates**  
Company Secretaries  
[Firm Regn. No. P2014MH037400]  
[PR No.: - 637/2019]

**Kalidas Ramaswami**  
Partner  
FCS No.: - F2440 COP No.: - 22856  
UDIN: - F002440E000291707

Date: 12<sup>th</sup> May, 2023  
Place: Mumbai

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**YES BANK LIMITED**  
YES BANK HOUSE,  
Off Western Express Highway,  
Santacruz East,  
Mumbai – 400055

We, BNP & Associates have examined the relevant registers, records, forms, returns and disclosures received from the Directors of YES BANK Limited having CIN L65190MH2003PLC143249 and having its registered office at YES BANK HOUSE, Off Western Express Highway, Santacruz East, Mumbai – 400055 (hereinafter referred to as “the Bank”), which have been produced before us through the virtual data room by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including verification of Directors’ Identification Number (“DIN”) status] in terms of the portal of Ministry of Corporate Affairs Government of India (“MCA”) [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and pursuant to explanations furnished to us by the Bank and its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below, for the financial year ended on 31<sup>st</sup> March, 2023 have been debarred or disqualified from appointment or continuing as directors of the Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No	DIN	Name of the Directors	Designation	Date of Appointment*
1	03341633	Mr. Rama Subramaniam Gandhi	Non-Executive Part-time Chairperson, Independent Director	23/07/2022
2	07562475	Mr. Prashant Kumar	Managing Director & Chief Executive Officer (“MD&CEO”)	26/03/2020 <sup>1</sup>
3	08432870	Mr. Rajan Pental	Executive Director	02/02/2023
4	07872539	Mr. Atul Malik	Independent Director	30/08/2021 <sup>2</sup>
5	07825183	Ms. Rekha Murthy	Independent Director	30/08/2021 <sup>2</sup>
6	05160057	Mr. Sharad Sharma	Independent Director	01/11/2021 <sup>3</sup>
7	09623300	Mr. Sandeep Tewari	Non-Executive Director (Nominee Director of State Bank of India)	15/07/2022
8	09623382	Mr. Thekepat Keshav Kumar	Non-Executive Director ((Nominee Director of State Bank of India)	15/07/2022
9	01245772	Mr. Sadashiv Srinivas Rao	Independent Director	15/07/2022
10	01318683	Ms. Nandita Gurjar	Independent Director	15/07/2022
11	00072812	Mr. Sanjay Kumar Khemani	Independent Director	15/07/2022
12	05102910	Mr. Sunil Kaul	Non-Executive Director	13/12/2022
13	00291675	Ms. Shweta Jalan	Non-Executive Director	13/12/2022

\*Date of appointment of Directors are as they appear on MCA Portal.

1. Mr. Prashant Kumar was appointed on the Board of the Bank pursuant to the YBL Reconstruction Scheme 2020 ("the Scheme") w.e.f. 26<sup>th</sup> March, 2020. Upon formation of alternate Board, he was appointed as Director and interim MD & CEO w.e.f. 15<sup>th</sup> July, 2022. Thereafter his appointment as MD & CEO was approved by RBI on 6<sup>th</sup> October, 2022.
2. Mr. Atul Malik and Ms. Rekha Murthy were co-opted on the Board of the Bank pursuant to the Scheme w.e.f. 30<sup>th</sup> August, 2021. Upon formation of alternate Board, they were appointed as Independent Director on the Board w.e.f. 15<sup>th</sup> July, 2022.
3. Mr. Sharad Sharma was co-opted on the Board of the Bank pursuant to the Scheme w.e.f. 1<sup>st</sup> November, 2021. Upon formation of alternate Board, he was appointed as Independent Director on the Board w.e.f. 15<sup>th</sup> July, 2022.

Ensuring the eligibility of every director for appointment / continuity on the Board is the responsibility of the Management of the Bank. We further state that this certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management of the Bank has conducted the affairs of the Bank.

For **BNP & Associates**

Company Secretaries  
[Firm Regn. No. P2014MH037400]  
[PR No.: - 637/2019]

**Kalidas Ramaswami**

Partner  
FCS No.: - F2440 COP No.: - 22856  
UDIN: - F002440E000291731 .

Date: May 12, 2023  
Place: Mumbai

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

Sr. No	Particulars	Answer
1	Corporate Identity Number (CIN) of the Listed Entity	L65190 MH 2003 PLC 143249
2	Name of the Listed Entity	YES BANK Limited
3	Year of incorporation	2003
4	Registered office address	YES BANK House, Off Western Express Highway, Santacruz East, Mumbai 400055, Maharashtra, India
5	Corporate address	YES BANK House, Off Western Express Highway, Santacruz East, Mumbai 400055, Maharashtra, India
6	E-mail	<a href="mailto:shareholders@yesbank.in">shareholders@yesbank.in</a>
7	Telephone	+91 (22) 5091 9800, 6507 9800
8	Website	<a href="http://www.yesbank.in">www.yesbank.in</a>
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 5750,95,50,668/- (Rupees Five Thousand Seven Hundred and Fifty crore Ninety Five lakh Fifty Thousand Six Hundred and Sixty Eight only)
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Niranjan Banodkar Chief Financial Officer Telephone number +91-22-65077941 e-mail id: <a href="mailto:responsible.banking@yesbank.in">responsible.banking@yesbank.in</a>
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis, unless specified

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

Sr. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Service	Banking activities by Central, Commercial and Saving banks	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No	Product/Service	NIC Code	% of total Turnover of contributed
1	Monetary intermediation of commercial banks, saving banks, postal savings bank and discount houses	64191	100%

**III. Operations****16. Number of locations where plants and/or operations/offices of the entity are situated:**

Sr. No	Location	Number of Plants	Number of Offices	Total
1	National	NA	1,192 (Branches) + 9 (Offices)	1,201
2	International	NA	1 (Representative Office in Abu Dhabi)	1 <sup>1</sup>

<sup>1</sup>The Bank also operates an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT), which is considered an overseas branch according to Foreign Exchange Management Act. However, since the Branch is located in Gandhinagar, India, it is not included under international presence

**17. Markets served by the entity:****a. Number of locations**

Sr. No	Locations	Number
1	National (No. of States)	The Bank operates 1,192 Branches; 9 Major Offices; 1,301 ATMs and 150 BCBOs across 28 States and 3 Union Territories of India
2	International (No. of Countries)	The Bank serves 38 countries through its Representative Office in Abu Dhabi and its IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

The total exports undertaken by the Bank during FY 2022-23 as reported in GST returns is INR 59,62,88,820 (₹ 59.62 crore). The same is classified as exports in accordance with the provisions of GST law.

**c. A brief on types of customers**

YES BANK is a full-service commercial bank which offers a complete range of products, services and technology-driven digital offerings to its Corporate, Retail and SME customers. The Bank's customers include individuals, farmers, women microfinance borrowers, micro, small and medium enterprises, large corporates, government entities, amongst others. For more information on the Bank's customers, products and services please refer to the Our Diversified Product Suite section of the Integrated Annual Report on page 26.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1	Permanent (D)	27,517	21,727	79%	5,790	21%
2	Other than Permanent (E) <sup>2</sup>	130	94	72%	36	28%
<b>3</b>	<b>Total employees (D + E)</b>	<b>27,647</b>	<b>21,821</b>	<b>79%</b>	<b>5,826</b>	<b>21%</b>
<b>Workers</b>						
4	Permanent (F)					
5	Other than Permanent (G)					
<b>6</b>	<b>Total workers (F + G)</b>					

<sup>2</sup>All trainee, advisors and consultants are classified as 'other than permanent employees'. All percentages in this section have been rounded off.

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1	Permanent (D)	8	7	88%	1	12%
2	Other than Permanent (E)	-	-	-	-	-
<b>3</b>	<b>Total differently abled employees (D + E)</b>	<b>8</b>	<b>7</b>	<b>88%</b>	<b>1</b>	<b>12%</b>
Differently abled Workers						
4	Permanent (F)					
5	Other than Permanent (G)		Not Applicable			
<b>6</b>	<b>Total differently abled employees (F + G)</b>					

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	13	3	23.08%
Key Management Personnel	4	-	0%

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees <sup>3</sup>	42.6%	42.8%	42.7%	40.9%	48.9%	42.4%	24.8%	30.3%	25.8%
Permanent Workers	Not Applicable								

<sup>3</sup>Attrition is based on average headcount as at March 31, 2023 and includes only voluntary exits

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. Names of holding / subsidiary / associate companies / joint ventures**

Sr. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Yes Securities (India) Limited	Subsidiary	100%	Yes. Yes Securities (India) Limited participates in some Business Responsibility activities of YES BANK

**VI. CSR Details**
**22.**

Sr. No	Question	Answer
(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	No
(ii)	Turnover (in ₹)	266,240,801,821
(iii)	Net worth (in ₹)	314,193,729,947

## VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. The Bank recently instituted a mechanism for community grievance redressal	As the community grievance redressal mechanism has been recently established, there are no complaints to be reported for the period					
Investors (other than shareholders)	Yes. Information on the grievance redressal mechanism for investors can be accessed on page 248 as part of the terms of reference of the Stakeholder Relationship Committee, a Board Level Committee that reviews the MIS of investor complaints along with the ageing analysis, on a periodical basis	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes. Information on the grievance redressal mechanism for investors can be accessed on page 248 as part of the terms of reference of the Stakeholder Relationship Committee, a Board Level Committee that reviews the MIS of investor complaints along with the ageing analysis, on a periodical basis	157	Nil	-	1,298	5	-
Employees and workers	Yes. The HCM Policy on Employee Grievance Redressal is part of Bank's HR Policy.  The Employee Grievance Redressal policy is available on the Bank's Intranet	64	2	All pending complaints are reviewed and resolved within TAT	55	2	All the pending complaints were reviewed and resolved within TAT
Customers	Yes, the Bank has instituted a comprehensive Grievance Redressal Mechanism for customers. Link to the Bank's Grievance Redressal Policy: <a href="https://www.yesbank.in/pdf?name=grievanceredressal_pdf.pdf">https://www.yesbank.in/pdf?name=grievanceredressal_pdf.pdf</a>	62,704	2,097	-	47,188	1,451	-
Value Chain Partners	Yes. The Bank recently instituted a process of supplier grievance redressal	As the supplier grievance redressal mechanism has been recently established, there are no complaints to be reported for the period					
Other (please specify)	-	-	-	-	-	-	-



## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Please refer to the Stakeholder Engagement & Materiality Assessment section of the Integrated Annual Report on page 70.

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.a	1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
1.b	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
1.c	Web Link of the Policies, if available	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	NA	Y <sup>a</sup>	Y <sup>a</sup>
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y <sup>b</sup>	Y <sup>b</sup>	Y <sup>b</sup>	Y <sup>b</sup>	Y <sup>b</sup>	Y <sup>b</sup>	NA	Y <sup>b</sup>	Y <sup>b</sup>
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	Y <sup>c</sup>	N	N	N	Y <sup>c</sup>	NA	N	N
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	Y <sup>c</sup>	NA	NA	NA	Y <sup>c</sup>	NA	NA	NA
<b>Governance, leadership and oversight</b>										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): For statement of director responsible for BR report, refer to the Message from MD & CEO in the Integrated Annual Report on page 10.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Corporate Social Responsibility & Environmental, Social and Governance Committee of the Board (CSR & ESG Committee)								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Bank has a CSR & ESG Committee of the Board that provides oversight on sustainability related issues The composition of the Committee is given below: <ul style="list-style-type: none"> <li>• Ms. Rekha Murthy (Chairperson), Independent Director (DIN: 07825183)</li> <li>• Mr. Sadashiv Srinivas Rao (Member), Independent Director (DIN: 01245772)</li> <li>• Ms. Nandita Gurjar (Member), Independent Director (DIN: 01318683)</li> <li>• Ms. Shweta Jalan (Member), Non-Executive Director; not liable to retire by rotation, Nominee of Verventa Holdings Limited (DIN: 00291675)</li> <li>• Mr. Rajan Pentel (Member), Executive Director (DIN: 08432870)</li> </ul>								

#### <sup>a</sup> Principle 1

- Code of Conduct: [https://www.yesbank.in/pdf?name=employee\\_code\\_of\\_conduct.pdf](https://www.yesbank.in/pdf?name=employee_code_of_conduct.pdf)
- Anti-Bribery and Anti-Corruption Policy: [https://www.yesbank.in/pdf?name=ybl\\_abac\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_abac_policy.pdf)

#### Principle 2

- Environment & Social Policy: [https://www.yesbank.in/pdf?name=ybl\\_esp\\_summary\\_pdf.pdf](https://www.yesbank.in/pdf?name=ybl_esp_summary_pdf.pdf)
- Environmental Management Policy: [https://www.yesbank.in/pdf?name=yes\\_bank\\_environmental\\_management\\_policy\\_summary\\_pdf.pdf](https://www.yesbank.in/pdf?name=yes_bank_environmental_management_policy_summary_pdf.pdf)

#### Principle 3

- Equal Opportunity Policy: <https://www.yesbank.in/about-us/sustainability-at-yes-bank/esg-disclosures/esg-policies>
- ESG Code of Conduct for Suppliers: [https://www.yesbank.in/pdf?name=yes\\_banks\\_esg\\_supplier\\_code\\_of\\_conduct\\_pdf.pdf](https://www.yesbank.in/pdf?name=yes_banks_esg_supplier_code_of_conduct_pdf.pdf)

**Principle 4**

- Corporate Social Responsibility Policy: [https://www.yesbank.in/pdf?name=ybl\\_corporate\\_social\\_responsibility\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_corporate_social_responsibility_policy.pdf)

**Principle 5**

- Human Rights Policy: [https://www.yesbank.in/pdf?name=human\\_rights\\_policy\\_yes\\_bank.pdf](https://www.yesbank.in/pdf?name=human_rights_policy_yes_bank.pdf)

**Principle 6**

- Environment & Social Policy: [https://www.yesbank.in/pdf?name=ybl\\_esp\\_summary\\_pdf.pdf](https://www.yesbank.in/pdf?name=ybl_esp_summary_pdf.pdf)
- Environmental Management Policy: [https://www.yesbank.in/pdf?name=yes\\_bank\\_environmental\\_management\\_policy\\_summary\\_pdf.pdf](https://www.yesbank.in/pdf?name=yes_bank_environmental_management_policy_summary_pdf.pdf)

**Principle 8**

- Corporate Social Responsibility Policy: [https://www.yesbank.in/pdf?name=ybl\\_corporate\\_social\\_responsibility\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_corporate_social_responsibility_policy.pdf)

**Principle 9**

- Grievance Redressal Policy: [https://www.yesbank.in/pdf?name=grievanceredressal\\_pdf.pdf](https://www.yesbank.in/pdf?name=grievanceredressal_pdf.pdf)
- Information Security Policy and Cyber Security Policy

**b**

- All policies are formulated in line with the applicable regulatory requirements by various regulators (such as the Reserve Bank of India) and industry best practices
- The Environment & Social Policy is based on Equator Principles and IFC Performance Standards
- The Environmental Management Policy is based on requirements of the ISO 14001:2015 EMS Standard
- The ESG Code of Conduct for Suppliers is based on the ten principles of the United Nations Global Compact initiative
- The Corporate Social Responsibility Policy is aligned with Section 135 of The Companies Act, 2013 and in accordance with the Companies Rules, 2014
- The Bank's Grievance Redressal Policy is compliant with ISO 9001: 2015 Quality Management System and ISO 10002 Standard for customer satisfaction
- The Bank's Information Security policies are aligned to the ISO 27001:2013 Information Security Management System and Payment Card Industry Data Security Standard

**c**

- The Environmental Management Policy specifies the Bank's target to achieve net zero emissions (Scope 1 and Scope 2) by 2030
- To read about the Bank's progress towards achieving net zero emissions by 2030, please refer to the Enhancing Operational Eco-efficiency section of the Integrated Annual Report on page 124

**10. Details of Review of NGRBCs by the Company:**

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	NA	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	NA	Y <sup>a</sup>
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	NA	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	Y <sup>a</sup>	NA	Y <sup>a</sup>	Y <sup>a</sup>
<b>11.</b> Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	P1		P2		P3		P4		P5		P6		P7		P8		P9	
	No <sup>b</sup>		Y <sup>b</sup>		No <sup>b</sup>		No		No <sup>b</sup>		Y <sup>b</sup>		NA		No		Y <sup>b</sup>	

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									-
It is planned to be done in the next financial year (Yes/No)									Y <sup>#</sup>
Any other reason (please specify)									-

**<sup>a</sup> Principle 1**

- Performance against the Bank's Code of Conduct and its compliance with statutory requirements are reviewed by Board level Committees as and when necessary
- Performance against the Bank's Anti-Bribery and Anti-Corruption Policy and its compliance with statutory requirements are reviewed by the Audit Committee of the Board, annually

**Principle 2**

- Performance against the Environment & Social Policy and its compliance with statutory requirements are reviewed by Board level Committee on a half yearly basis
- Performance against the Environmental Management Policy and its compliance with statutory requirements are reviewed by Board level Committee on a half yearly basis

**Principle 3**

- Performance against the Equal Opportunity Policy and its compliance with statutory requirements are reviewed by Board level Committee as and when necessary
- Performance against the ESG Code of Conduct for Suppliers and its compliance with statutory requirements is reviewed by the Executive-level Sustainability Council on a half yearly basis

**Principle 4**

- Performance against the Corporate Social Responsibility Policy and its compliance with statutory requirements is reviewed by Board level Committee on a half yearly basis

**Principle 5**

- Performance against the Human Rights Policy and its compliance with statutory requirements are reviewed by Board level Committee as and when necessary

**Principle 6**

- Performance against the Environment & Social Policy and its compliance with statutory requirements are reviewed by Board level Committee on a half yearly basis
- Performance against the Environmental Management Policy and its compliance with statutory requirements are reviewed by Board level Committee on a half yearly basis

**Principle 8**

- Performance against the Corporate Social Responsibility Policy and its compliance with statutory requirements is reviewed by Board level Committee on a half yearly basis

**Principle 9**

- Performance against the Bank's Grievance Redressal Policy and its compliance with statutory requirements is reviewed by Board level Committee on an annual basis
- Performance against the Bank's Information Security Policies and their compliance with statutory requirements are reviewed by the Executive level Security Council and the Board on an annual basis

**<sup>b</sup> Principle 1**

- The working of the Bank's Code of Conduct; Equal Opportunity Policy and Humans Rights Policy are reviewed by the various Heads of Business Units. Additionally, the Compliance and the Internal Audit teams at the Bank assess each Business Unit's adherence to respective policies

**Principle 2**

- The implementation of the Bank's Environmental Management Policy is independently audited annually for its adherence to the ISO 14001:2015 EMS Standard. In FY 2022-23, the Bank was certified ISO 14001 compliant for the 10<sup>th</sup> year in a row by Bureau Veritas (India) Pvt. Ltd.

**Principle 3**

- The working of the Bank's Equal Opportunity Policy is reviewed by the various Heads of Business Units. Additionally, the Compliance and the Internal Audit teams at the Bank assess each Business Unit's adherence to respective policies

**Principle 5**

- The working of the Bank's Human Rights Policy is reviewed by the various Heads of Business Units. Additionally, the Compliance and the Internal Audit teams at the Bank assess each Business Unit's adherence to respective policies

**Principle 6**

- The implementation of the Bank's Environmental Management Policy is independently audited annually for its adherence to the ISO 14001:2015 EMS Standard. In FY 2022-23, the Bank was certified ISO 14001 compliant for the 10<sup>th</sup> year in a row by Bureau Veritas (India) Pvt. Ltd.

**Principle 9**

- The implementation of the Bank's Grievance Redressal Policy was independently audited for its adherence to the ISO 9001:2015 Quality Management System by Bureau Veritas (India) Pvt. Ltd; and to the ISO 10002 Standard for customer satisfaction by the British Standard Institution
- The implementation of the Bank's Information Security Policies was independently audited for its adherence to the ISO ISO27001:2013 Information Security Management System by QRC Assurance and Solutions Pvt. Ltd.

*#The Bank is in the process of developing a Board approved policy towards its public policy advocacy activities*

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### A. Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segments	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	<ul style="list-style-type: none"> <li>Certification Programme in IT and Cyber Security for Board Members</li> <li>The familiarisation cum onboarding programme on the following areas: Financial Management, Human Capital Management, Risk Management, Operations Management, Compliance Management, Audit Management, Overview of CS Function &amp; Role and Responsibilities of Directors.</li> <li>The familiarisation cum onboarding programme on the following areas: Retail Banking, Large Corporates, Institutional &amp; Government Banking, Transaction Banking, Emerging Local Corporate Banking and Financial Markets.</li> </ul>	The details of programmes conducted and attended by the Board are provided on the Bank's website: <a href="https://www.yesbank.in/pdf?name=independentdirectors_pdf1.pdf">https://www.yesbank.in/pdf?name=independentdirectors_pdf1.pdf</a>
Key Managerial Personnel	11	<ul style="list-style-type: none"> <li>Programs on Advanced Leadership</li> <li>Apex Leadership Program</li> <li>Building Risk &amp; Compliance Culture Workshop</li> <li>Compliance Awareness Workshop</li> <li>Prevention of Insider Trading</li> <li>Mandatory Re-certification, etc.</li> </ul>	100%
Employees other than BoD and KMPs	In FY 2022-23, 6,651 training programs were conducted with 5.87 average training days per participant	<ul style="list-style-type: none"> <li>Mandatory Certification including awareness on: Code of Conduct,</li> <li>POSH policy,</li> <li>Know Your Customer &amp; Anti Money Laundering,</li> <li>Information Security</li> <li>Operational Risk Management &amp; Business Continuity Plan</li> <li>Anti-Bribery and Anti -Corruption Control</li> </ul>	100% employees covered under mandatory certification trainings
Workers			Not Applicable

#### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Sr. No	Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Monetary		Has an appeal been preferred? (Yes/No)
				Amount (In INR)	Brief of the Case	
1	Penalty/ Fine	Principle 9	RBI	60,000	As per the RBI circular dated August 10, 2021 on 'Monitoring of NA Availability of Cash in ATMs', Banks are advised to strengthen their systems/ mechanisms to monitor availability of cash in ATMs and ensure timely replenishment to avoid cash-outs. Further, the circular stated that Cash-out at any ATM of more than 10 hours in a month will attract a flat penalty of ₹ 10,000/- per ATM. During the Financial Year April 2022-2023, RBI had levied a total penalty of ₹ 60,000 (6 instances) for non-replenishment of Bank's ATMs located at Howrah, Gorakhpur, Vijaywada, Lucknow, Ludhiana, and Ahmedabad for more than 10 hours	

Monetary						
Sr. No	Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
2	Penalty/ Fine	Principle 9	RBI	60,000	RBI had levied a penalty of ₹ 60,000 (5 instances) on account of non-compliance with the RBI guidelines on issuance of soiled notes to General Public and non-provision of the facility for the exchange of soiled / mutilated bank notes by the Branches	NA
3	Penalty/ Fine	Principle 9	RBI	9,400	RBI had levied a total penalty of ₹ 9,400 (2 instances) on NA account of the irregularities observed in the soiled note remittance received from YES BANK Delhi Currency Chest	NA
4	Settlement	Principle 1	SEBI	72,76,533	One of the Directors (who in his individual capacity has not come to the adverse notice of any regulator which has resulted in the passing of any adverse order or finding against him) has in his declaration declared that one of the listed entities in which he is a director has settled a case with SEBI under the SEBI (Settlement Proceedings) Regulations, 2018 with respect to a notice issued by SEBI to the said listed company and all its directors for alleged violation of certain provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The settlement amount was paid by the listed entity on its behalf and on behalf of its directors.	NA
5	Compounding fee	NA	NA	Nil	NA	NA

#### Non-Monetary

Sr. No	Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
1	Imprisonment	NA	NA	NA	NA
2	Punishment	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

YES BANK's Anti-Bribery and Anti-Corruption Policy (ABAC Policy) has been developed in alignment with the Bank's Code of Conduct, various policies, rules, and regulations adopted by YBL and in conformance with the legal and statutory framework of anti-bribery and anti-corruption legislation prevalent in India. The Policy reflects the Bank's and its management's commitment to maintain the highest ethical standards while conducting its business in an open, fair and accountable manner, in line with best practices in corporate governance. The objective of this Policy is to ensure that neither YBL nor any of its employees (fulltime or contractual employees, including trainees and interns), directors, agents, associates, vendors, consultants, advisors, representatives, or intermediaries, indulge in any acts of bribery and corruption in discharging of their official duties towards the Bank, either in their own name or in the name of the Bank. YES BANK's Anti Bribery and Corruption Policy is available on the Bank's website at: [https://www.yesbank.in/pdf?name=ybl\\_abac\\_policy.pdf](https://www.yesbank.in/pdf?name=ybl_abac_policy.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest: NIL

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no corrective actions taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest in FY 2022-23.

## B. Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Two	Awareness building on the Bank's ESG Supplier Code Of Conduct and a Survey to assess ESG preparedness of strategic suppliers	60+ strategic vendors accounting for nearly 85% of the Bank's procurement function-led spend were covered under the awareness programme

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Board has formulated and adopted the Code of Conduct and Ethics that the Board of Directors and Senior Management must adhere to. The Code is available on the Bank's weblink: [https://www.yesbank.in/pdf?name=Code\\_of\\_Business\\_Conduct\\_Ethics\\_for\\_the\\_Board\\_of\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.yesbank.in/pdf?name=Code_of_Business_Conduct_Ethics_for_the_Board_of_Directors_and_Senior_Management.pdf)

## PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe

### A. Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	NA
Capex	Nil	Nil	NA

The Bank spent ₹ 7.01 crore during FY 2022-23 on energy conservation initiatives including AC retrofitting, LED projects and signage replacements at corporate offices and branch locations.

## 2. a. Does the entity have procedures in place for sustainable sourcing?

Yes

## b. If yes, what percentage of inputs were sourced sustainably?

The Bank proactively identifies opportunities to source sustainable alternatives to the resources it consumes. The Bank has switched to sourcing renewable energy to power its head office, YES BANK House (YBH) and 34 of its 81 Branches in Mumbai. The Bank has also eliminated the use of single-use plastics in its operations and switched to procuring 100% recycled paper (A4) for internal operational use, across all its facilities. In FY 2022-23, the Bank completed its migration to light-emitting diode (LED) fixtures in all its offices and has begun switching to star-rated air conditioners and equipment in its offices.

## 3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

In line with its Environmental Management System, the Bank has instituted robust mechanisms for responsible collection, recycling, and disposal of its waste. The Bank has partnered Viagreen to recycle paper used at key facilities including its corporate office. YES BANK House is equipped with a composting unit and a zero liquid discharge facility minimise the environmental impacts of its operations. The Bank has also appointed central vendors to collect, recycle and responsibly dispose e-waste from all its facilities and to buy back its lead acid batteries used in its uninterruptible power supply (UPS) systems.

## 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. Given the nature of YES BANK's business, EPR is not applicable to the Bank's activities.

**B. Leadership Indicators**

## 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, the Bank has not undertaken any LCA of its products/ services. The Bank has indentified significant environmental aspects and impacts of its business and products, and instituted a Bank-wide Environmental Management system to minimise the negative impacts of its operations.

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

## 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

## 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Paper (A4) for internal operations	100%	100%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particulars	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including Packaging)	-	0.048*	0.004*	-	-	-
E-waste	-	23	4.06	-	-	-
Hazardous waste	-	49.06 <sup>#</sup>	1.46 <sup>#</sup>	-	-	-
Other waste	-	64.70 <sup>^</sup>	3.25 <sup>^</sup>	-	-	-

\*Plastic Waste includes data from Airoli office only

<sup>#</sup>Hazardous waste includes pan-India battery waste and other hazardous waste from YBH

<sup>^</sup>Other waste includes dry waste (excluding plastics) data from YBH and Airoli offices, wet waste data from YBH only and bio-medical waste data from YBH, Airoli, NOC Chennai and Noida offices

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**A. Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
<b>Permanent employees</b>											
Male	21,727	21,727	100%	21,727	100%	-	-	-	-	-	-
Female	5,790	5,790	100%	5,790	100%	5,790	100%	-	-	5,790	100%
<b>Total</b>	<b>27,517</b>	<b>27,517</b>	<b>100%</b>	<b>27,517</b>	<b>100%</b>	<b>5,790</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>5,790</b>	<b>100%</b>
<b>Other than permanent employees</b>											
Male						NA					
Female											
<b>Total</b>											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
<b>Permanent workers</b>											
Male						NA					
Female											
<b>Total</b>											
<b>Other than permanent workers</b>											
Male						NA					
Female											
<b>Total</b>											



## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	Y	100%	-	Y
ESI						
Others - please specify						NA

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Bank is cognizant of its responsibility of ensuring easy accessibility of its facilities for differently abled employees, customers, and visitors. 36% of the Bank's Branches are equipped with facilities such as ramps to enable differently abled employees and customers to use its facilities. Branches where ramps cannot be constructed due to structural challenges, are provided with adequate signages and notices. Most of the Bank's major offices are equipped with elevators, rest rooms etc. in line with its policy to support persons with disabilities.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Bank continues to be an equal opportunity employer, committed to creating and nurturing a culture of inclusion and belongingness and has no tolerance towards any form of discrimination. The Bank's policy on Equal Opportunity prevents discrimination on any grounds such as disability, marital status, nationality, race, religion, sex, sexual orientation etc. and aims to treat all employees and job applicants equally. The policy is available on the Bank's website: <https://www.yesbank.in/pdf?name=eop.pdf>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female	Please refer to the <i>People</i> section of the Integrated Annual Report on page no. 102			
Total				

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	Yes <sup>4</sup>
Other than Permanent Employees	

<sup>4</sup>To ensure that all grievances are dealt promptly and fairly, the Bank has put in place an Employee Grievance Redressal policy which defines the channels for grievance reporting and a detailed redressal mechanism.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male						
Female						
<b>Total Permanent Workers</b>						NA
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	21,727	Nil	Nil	21,326	98%	19,777	Nil	Nil	19,466	98%
Female	5,790	Nil	Nil	5,605	97%	4,569	Nil	Nil	4,479	98%
<b>Total</b>	<b>27,517</b>	<b>Nil</b>	<b>Nil</b>	<b>26,931</b>	<b>98%</b>	<b>24,346</b>	<b>Nil</b>	<b>Nil</b>	<b>23,945</b>	<b>98%</b>
<b>Workers</b>										
Male										
Female										NA
<b>Total</b>										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total	No.	%	Total	No.	%
<b>Employees</b>						
Male	16,475	16,475	100%	14,759	14,759	100%
Female	4,060	4,060	100%	3,274	3,274	100%
<b>Total</b>	<b>20,535</b>	<b>20,535</b>	<b>100%</b>	<b>18,033</b>	<b>18,033</b>	<b>100%</b>
<b>Workers</b>						
Male						
Female						NA
<b>Total</b>						

Note: Our annual performance review (at the end of Financial Year) is done for all eligible employees who have completed a minimum of 6 months with the organisation.

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

In FY 2022-23, the Bank rolled out its Occupational Health and Safety (OHS) Policy and has initiated the implementation of an OHS Management System based on ISO 45001 standard at its YBH and Airoli Offices

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Bank has rolled out a comprehensive Occupational Health and Safety (OHS) Policy and is in the process of formalising systems and processes for the identification of work-related hazards and risks

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

The Bank has rolled out a comprehensive Occupational Health and Safety (OHS) Policy and is in the process of formalising systems and processes for workers to report the work related hazards

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Employees at YES BANK have access to a wide range of non-occupational medical and healthcare services:

- **Medical Facility:** The Bank has partnered with a service provider for providing medical services to employees at 4 major locations (two in MMR, one each in Chennai and Noida). The centres are well equipped with experienced general physicians, nurses, and dieticians. The Bank has also initiated Homeopathic and Physiotherapy consultation at YES BANK House. Specialist Consultations are also being organised under the facility.
- **Insurance Benefits:** A comprehensive 'Group Medclaim Policy' covering pre and post hospitalisation of employees and their enrolled dependents (spouse, children) is sponsored by the Bank for all employees. The Bank also sponsors the 'Group Term Life Insurance Policy' and 'Group Personal Accident Policy' for its employees. Additionally, immediate ex-gratia of 2 months' salary is extended to the families of deceased employees.
- **Employee Health Check-up Policy:** As one of the measures to encourage employees to stay healthy and identify the health issues, if any, before they become serious, the Bank has put in place a policy on Employee Health Check-up.

**11. Details of safety related incidents, in the following format:**

Given the Bank's nature of business, it faces limited risks of work-related injuries and fatalities. There were no reports of work-related injury, fatalities or lost time due to injury.

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Bank has a holistic approach to safeguarding the health and well-being of its employees. Medical centers with qualified doctors are stationed at major offices such as YBH, Chennai, Gurgaon, Airoli, and Max Tower. The Bank has also set up robust emergency preparedness plans which includes regular fire drills and detailed fire evacuation plans. The Bank's workspaces are ergonomically planned and all Covid-19 protocols are diligently followed.

This year, to help YES BANKERS take better control of their health and wellness, a series of webinars under the brand 'Wellness Webinars' were organised in collaboration with experienced health professionals, SMEs, and healthcare specialists covering topics on boosting immunity, handling lifestyle problems, maintaining Heart Health, Mental Health & Wellness, preventive healthcare, etc. Additionally, various intra & inter-corporate sports events were organised for employees which saw substantial participation levels.

The Bank has also set up a fitness centre and a Yoga Studio at its Corporate Office to aid employees achieve their fitness goals.

**13. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

**14. Assessments for the year:**

The Bank has recently rolled out an Occupational Health and Safety (OHS) Policy and is in the process of formalising systems and processes for carrying out OHS assessments at its facilities.

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

The Bank is in the process of formalising systems and processes to assess OHS aspects relevant to its business and facilities and has not undertaken any corrective actions this year.

**B. Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of**

**(A) Employees (Y/N)**

Yes. The Bank covers its employees under certain policies wherein nominee is supported in the event of death. The nominee is entitled for cash benefits under Group Term Life Insurance, Ex Gratia, EDLI, GPA (in case of accidental death) and Gratuity as per the applicable Payment of Gratuity Act.

**(B) Workers (Y/N)**

Not Applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank has incorporated terms in the contracts and the purchase orders issued to suppliers which mandate statutory and legal compliances, as applicable. Also, the legal contracts executed with vendors include provisions from the Bank's ESG Supplier Code of Conduct which include the ESG parameters as applicable to the vendor.

The Bank also reviews statutory processes and payments of manpower suppliers deployed at YES BANK, by conducting audits in line with the labour laws and basis a checklist of compliance requirements.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Bank does not provide transition assistance programmes.

5. Details on assessment of value chain partners:

The Bank is in the process of assessing the ESG awareness and preparedness of its suppliers in a phased manner and educating them about ESG best practices through webinars and surveys. The assessments will enable the Bank to score vendors on their ESG performance and identify areas for improving controls and limiting potential negative impacts of its supply chain.

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	The Bank is currently engaging with its suppliers to build awareness and preparedness on ESG related issues. The Bank plans to conduct human rights assessments of its suppliers, in a phased manner, in future. 60+ strategic vendors accounting for nearly 85% of the Bank's procurement function-led spend were covered under its awareness programme
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Bank is currently assessing the ESG awareness and preparedness of its suppliers in a phased manner and helping them understand the importance of these aspects. In future, the Bank intends to assess its suppliers on their ESG preparedness/ practices which will enable the Bank to identify areas of significant risks/impacts and design corrective actions to minimise negative impacts of its supply chain

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**A. Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

Please refer to the *Stakeholder Engagement & Materiality Assessment* section of the Integrated Annual Report on page 70

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
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Please refer to the *Stakeholder Engagement & Materiality Assessment* section of the Integrated Annual Report on page 70

## B. Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Please refer to the *Stakeholder Engagement & Materiality Assessment* section of the Integrated Annual Report on page 70.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Please refer to the *Stakeholder Engagement & Materiality Assessment* section of the Integrated Annual Report on page 73.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

YES BANK, in line with its corporate social responsibility policy, has worked conscientiously to align its core business more closely with global sustainability frameworks, chiefly the United Nations' Sustainable Development Goals, the Paris Agreement on Climate Change and the Principles for Responsible Banking. Guided by these frameworks and its CSR and ESG policies, the Bank works to deliver positive socio-environmental impact.

The Bank has developed and implemented CSR programmes to create and enhance shared value through unique, scalable and sustainable models. With a focus on 3Es – Employability, Entrepreneurship and Environment Sustainability - the Bank has committed to catalyse employment and entrepreneurship opportunities for 100,000 youth by 2026. The projects undertaken in pursuit of realising this target focus on the vulnerable and the marginalised. Livelihoods is a key focus area for the Bank and it addresses this key area with a two pronged approach – by providing underprivileged youth, skills-based training for market oriented jobs in urban areas – over 5,000 youth have been skilled since 2021 through the Bank's initiatives with a target to skill over 25,000 youth by 2026 and through initiatives aimed at enhancing the earning capability of rural populations with a focus on farm productivity, farm extension, handicrafts, among others – entrepreneurship opportunities have been enabled for over 30,000 villagers with a target to make a difference to 75,000 lives by 2026.

The Bank's Inclusive Social Banking division, through its flagship group-lending programme, YES Livelihood Enhancement Action Programme (YES LEAP), provides financial services to women microfinance borrowers through Corporates and Microfinance Institutions as Business Correspondents. As 100% of these groups are women, YES LEAP has been able to contribute significantly towards strengthening women entrepreneurship and empowerment in rural areas of India. As at March 31, 2023, the Bank had an active women customer base of 7.6 lakh. Since the inception of the YES LEAP programme in 2011, the Bank has cumulatively disbursed over INR 14,640 crore to over 34 lakh families, till date.

## PRINCIPLE 5 Businesses should respect and promote human rights

### A. Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

YES BANK is committed to ensure that its business follows the highest standards of humans rights practices. In order to embed human rights considerations into its business the Bank has instituted a Human Rights Policy based on the principles of the United Nations Guiding Principles on Business and Human Rights. The Bank is working towards developing trainings and awareness programmes for promoting the understanding of human rights amongst its employees and building a culture which inculcates respect for human rights while avoiding connivance in human rights abuses across its value chain.

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	27,517	Nil	NA	24,346	Nil	NA
Other than Permanent	130	Nil	NA	42	Nil	NA
<b>Total Employees</b>	<b>27,647</b>	<b>Nil</b>	<b>NA</b>	<b>24,388</b>	<b>Nil</b>	<b>NA</b>
<b>Workers</b>						
Permanent						
Other than Permanent						Not Applicable
<b>Total Workers</b>						

While there were no formal trainings on Human Rights, employees were made aware of the policy through policy reiterations

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year				FY 2021-22 Previous Financial Year					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	27,517	-	-	27,517	100%	24,346	-	-	24,346	100%
Male	21,727	-	-	21,727	100%	19,777	-	-	19,777	100%
Female	5,790	-	-	5,790	100%	4,569	-	-	4,569	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
Permanent										
Male										
Female										
Other than										Not Applicable
Permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	10*	57,32,135 <sup>§</sup>	3*	41,72,603 <sup>§</sup>
Key Managerial Personnel	4	2,87,93,000	-	-
Employees other than BoD and KMP	21,723	8,05,440	5,790	5,90,000
Workers				Not Applicable

\*As at March 31, 2023

<sup>§</sup>Median remuneration only includes directors who have been remunerated for the entire 12 month period

Note: The Bank follows an employee compensation philosophy that is gender agnostic and is based on parameters like role, experience, proficiency, level of competency, relevant performance assessment measures etc.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. Any grievances related to violations of human rights can also be reported to the Bank appointed Liaison Officer, details of whom are mentioned in the Bank’s Human Rights Policy

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Bank has implemented a web-based ‘Corporate Whistle Blower Initiative’ (CWI) – which is an independent online reporting service aimed at facilitating secure and confidential communication between the organisation and its stakeholders. The CWI Portal can be accessed by executives via internet from anywhere, anytime. ([www.cwiportal.com](http://www.cwiportal.com)). Any grievances related to violations of human rights can also be reported to the Bank appointed Liaison Officer

**6. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2022-23			FY 2021-22		
	Current Financial Year			Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	20	6	*	15	1	#
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

\*For the pending cases, the investigation has been closed and further action is in progress. The same will be completed within timeline.

#The pending complaint was investigated within the stipulated timeline

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Bank has implemented a web-based ‘Corporate Whistle Blower Initiative’ (CWI) – which is an independent online reporting service aimed at facilitating secure and confidential communication between the organisation and its stakeholders.

The Bank has Internal Committees to investigate and inquire into sexual harassment complaints in line with the Bank’s policy on Prevention of Sexual Harassment at Workplace. The salient features of the policy and the details of the Internal Committees are shared with all the employees and are displayed at branches and offices of the Bank.

As per the Bank’s Code of Conduct, every employee is required to uphold and maintain the dignity of other executives working in the Bank. They should maintain a productive work environment that is free from sexual harassment Those who violate this Code of Conduct may be subject to disciplinary action, including possible dismissal

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

The Bank’s ESG Supplier Code of Conduct covers human rights considerations and is a part of the Bank’s business agreements and contracts.

**9. Assessments for the year:**

The Bank is working towards formalising processes for human rights assessments of its facilities in line with its Human Rights Policy

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	



10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

#### B. Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

There were no business process modifications introduced as result of human rights grievances/ complaints

2. Details of the scope and coverage of any Human rights due-diligence conducted

There was no human rights due-diligence conducted. The Bank is working towards formalising processes to undertake due-diligence for identifying vulnerable group, adequacy of mitigation and remediation measures

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Bank is cognizant of its responsibility of ensuring easy accessibility of its facilities for differently abled employees, customers, and visitors. 36% of the Bank's Branches are equipped with facilities such as ramps to enable differently abled employees and customers to use its facilities. Branches where ramps cannot be constructed due to structural challenges, are provided with adequate signages and notices. Most of the Bank's major offices are equipped with elevators, rest rooms etc. in line with its policy to support persons with disabilities.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	The Bank is currently engaging with its suppliers to build awareness and preparedness on ESG related issues. The Bank plans to conduct human rights assessments of its suppliers, in a phased manner, in future.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	Currently, 60+ strategic vendors accounting for nearly 85% of the Bank's procurement function-led spend were covered under the awareness programme
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

The Bank is currently assessing the ESG awareness and preparedness of its suppliers in a phased manner and helping them understand the importance of these aspects. In future, the Bank intends to assess its suppliers on their ESG preparedness/ practices which will enable the Bank to identify areas of significant risks/impacts and design corrective actions to minimise negative impacts of its supply chain

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

#### A. Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption	210.98 TJ <sup>#</sup>	206.84 TJ
Total fuel consumption	9.25 TJ	8.52 TJ
Energy consumption through other sources	0	0
<b>Total energy consumption</b>	<b>220.23 TJ</b>	<b>215.36 TJ</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	827.18 J/Rs <sup>^</sup>	966.35 J/Rs
Energy intensity	8.00 GJ <sup>§</sup> /FTE <sup>*</sup>	9.05 GJ/FTE

Independent Limited assurance has been carried out by KPMG Assurance and Consulting Services LLP for the disclosure in Integrated Report in accordance to GRI Standards (See Assurance Statement on Page 457)

<sup>#</sup>Terajoules

<sup>§</sup>Gigajoules

<sup>^</sup>Joules Per Rupees

<sup>\*</sup>FTE- Full Time Employee. Includes all full-time employees across YES BANK's pan-India and Abu Dhabi facilities

Data above includes energy consumption by YES Securities (India) Limited (YSIL), a subsidiary of YES BANK which operates from YES BANK House premises

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable. YES BANK does not have any sites or facilities identified as designated consumers (DCs).

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
Surface water	0	0
Groundwater	0	0
Third party water	70,718.78#	33,285.6^
Seawater / desalinated water	0	0
Others	0	0
Total volume of water withdrawal (in kilolitres)	70,718.78#	33,285.6^
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity	15.37 KL/FTE*	0

Independent assurance has been carried out by KPMG Assurance and Consulting Services LLP in accordance to GRI Standards (See Assurance Statement on Page 457)

#Figures mentioned only include data for 7 Major offices (YBH, Airoli, NOC Gurgaon, Max Tower, West Patel Nagar, Nyaya Marg, Okhala)

^Figures mentioned only include data for YBH

\*Figure mentioned only includes data for YBH and Airoli offices

Data above includes water consumption by YES Securities (India) Limited (YSIL), a subsidiary of YES BANK which operates from YES BANK House premises

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Given YES BANK's nature of business, water consumption is minimal and is not considered a significant environmental aspect for the Bank. The Bank has set up a zero liquid discharge facility at its corporate office YES BANK House. At other tenanted facilities, discharge is managed by the landlords.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	KG	826.09	247.51
SOx	KG	275.78	26.85
Particulate matter (PM)	KG	50.91	13.19*
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify	NA	-	-

Independent Limited assurance has been carried out by KPMG Assurance and Consulting Services LLP for the disclosure in Integrated Report in accordance to GRI Standards (See Assurance Statement on Page 457)

\*PM for FY 2021-22 not assured independently

Weighted Average methodology has been used to calculate the NOX, SOx and PM emissions from diesel consumption by DG Sets.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1* emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3,541.40	3217.14
<b>Total Scope 2 emissions#</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	37468.12	44284.5
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	₹tCO <sub>2</sub> e/Rs	0.000000154	0.000000199
<b>Total Scope 1 and Scope 2 emission intensity</b> (Scope 1+2)/FTE <sup>^</sup>		1.49	1.95

Independent Limited assurance has been carried out by KPMG Assurance and Consulting Services LLP for the disclosure in Integrated Report in accordance to GRI Standards (See Assurance Statement on Page 457)

\*Scope 1 emissions include 10% refrigerant leakage from AC systems (as suggested in the "IPCC/TEAP Special Report: Safeguarding the Ozone Layer and the Global Climate System"). Scope 1 emissions also include diesel consumption for the Bank. The emission factors and GWP (Global Warming Potential) values have been taken from the Greenhouse Gas (GHG) Protocol.

#Scope 2 emissions constitute CO<sub>2</sub> emissions from grid electricity (from non-renewable sources) consumed by YES BANK. The emission factors have been taken from Central Electrical Authority (CEA's) CO<sub>2</sub> Baseline Database for the Indian Power Sector, Version 18. In January 2022, the Bank started sourcing renewable energy to power YES BANK House, avoiding 4,435.77 tCO<sub>2</sub>e in FY 2022-23. Grid electricity consumed has been estimated from facility-wise electricity bills and state-wise tariff charges

<sup>§</sup>Tonnes of CO<sub>2</sub> equivalent

<sup>^</sup>FTE- Full Time Employee. Includes all full-time employees across YES BANK's pan-India and Abu Dhabi facilities

Data above includes emissions from YES Securities (India) Limited (YSIL), a subsidiary of YES BANK which operates from YES BANK House premises

7. Does the entity have any project related to reducing Green House Gas (GHG) emission? If Yes, then provide details.

In order to align with the net zero pathways suggested by the UN's Intergovernmental Panel on Climate Change, the Bank has pledged to reduce GHG emissions (Scope 1 and Scope 2 emissions) from its operations to net zero by 2030. To achieve its net zero target, the Bank plans to migrate most of its facilities to renewable energy. In FY 2022-23, the share of renewable energy in the Bank's electricity mix increased to around 11% resulting in approximately 4,435.77 tCO<sub>2</sub>e in avoided emissions. Currently, the Bank's corporate office, YES BANK House along with 34 of its 81 Branches in Mumbai have been switched to renewables. Led by its adoption of renewable energy, the Bank reduced its direct emissions by 13.66% in FY 2022-23, over the previous year. The Bank also aims to reduce its energy consumption by enhancing its energy efficiency. The Bank has completed its migration to light-emitting diode (LED) fixtures at all its facilities and in the process of switching to star-rated air conditioners and equipment in all its offices.

8. Provide details related to waste management by the entity, in the following format:

Sr. No	Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>			
1	Plastic waste (A)	0.0515*	-
2	E-waste (B)	27.06	35.67
3	Bio-medical waste (C)	0.011#	-
4	Construction and demolition waste (D)	NA	NA
5	Battery waste (E)	49.06 <sup>^</sup>	-
6	Radioactive waste (F)	NA	NA
7	Other Hazardous waste (G)	1.464 <sup>§</sup>	-
8	Other Non-hazardous waste generated (H)	67.95 <sup>£</sup>	23.04
9	<b>Total (A+B + C + D + E + F + G + H)</b>	<b>145.58</b>	<b>58.71<sup>Σ</sup></b>

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Sr. No	Category of Waste	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
1	Recycled	136.8 <sup>€</sup>	51.75 <sup>°</sup>
2	Re-used		
3	Other recovery operations		
4	<b>Total</b>	<b>136.8</b>	<b>51.75</b>

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Sr. No	Category of Waste	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
1	Incineration	-	-
2	Landfilling	-	-
3	Other disposal operations	-	-
4	<b>Total</b>	<b>8.78<sup>A</sup></b>	<b>6.96<sup>³</sup></b>

Independent Limited assurance has been carried out by KPMG Assurance and Consulting Services LLP for the disclosure in Integrated Report in accordance to GRI Standards (See Assurance Statement on Page 457)

\*Plastic waste includes data from Airoli office only

#Bio-medical waste includes data from YBH, Airoli, NOC Chennai and Noida offices only

°Other hazardous waste consists of oil used for DG and expired chemicals (used to change water of cooling tower) in YBH

€Other Non-hazardous waste includes Dry Waste data (cups, paper, stationary etc) for YBH and Airoli offices, and wet waste data (leftover food, vegetable peels, fruits etc.) from YBH only

°Recycled waste consists of plastic waste, e-waste, bio-medical waste, battery waste, other hazardous waste, dry waste & wet waste

²Includes Dry Waste data from YBH and Airoli office only

◇Includes only E-waste data (Pan India) & Dry Waste data (YBH and Airoli Office)

^Waste disposed consists of plastic Waste, e-waste, bio-medical waste, other hazardous waste (residue oil etc) and dry waste.

³Includes only E-waste data (Pan India) & Dry Waste data (YBH and Airoli Office)

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

In line with its Environmental Management System, the Bank has instituted robust mechanisms for responsible collection, recycling, and disposal of its waste. The Bank has partnered Viagreen to recycle paper used at key facilities including its corporate office. YES BANK House is equipped with a composting unit and a zero liquid discharge facility to minimize the environmental impacts of its operations. The Bank has also appointed central vendors to collect, recycle and responsibly dispose e-waste from all its facilities and to buy back its lead acid batteries used in its uninterruptible power supply (UPS) systems.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable. YES BANK does not have any operations or offices in or around ecologically sensitive areas.

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
NA			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable. YES BANK has not undertaken environmental impact assessments

Name and brief details of project	EIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. YES BANK is in compliance with all applicable environmental law/ regulations/ guidelines in India

Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA			

## B. Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	22.33 TJ <sup>#</sup>	5.04 TJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>22.33 TJ</b>	<b>5.04 TJ</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	188.65 TJ	201.8 TJ
Total fuel consumption (E)	9.25 TJ	8.52 TJ
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>197.90 TJ</b>	<b>210.33 TJ</b>

Independent Limited assurance has been carried out by KPMG Assurance and Consulting Services LLP for the disclosure in Integrated Report in accordance to GRI Standards (See Assurance Statement on Page 457)

<sup>#</sup>Terajoules

Data above includes energy consumption by YES Securities (India) Limited (YSIL), a subsidiary of YES BANK which operates from YES BANK House premises

**2. Provide the following details related to water discharged:**

Given YES BANK's nature of business, water consumption and discharge is minimal and is not considered a significant environmental aspect for the Bank. The Bank currently does not monitor the amount of water discharged from its facilities. The Bank has set up a zero liquid discharge facility at its corporate office YES BANK House. At other tenanted facilities, discharge is managed by the landlords and treated through respective municipal treatment facilities, across geographies.

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	-	-

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

**For each facility / plant located in areas of water stress, provide the following information:**

Not Applicable. YES BANK does not have any facility in areas of water stress.

**(i) Name of the area:** NA

**(ii) Nature of operations:** NA

**(iii) Water withdrawal, consumption and discharge in the following format:** NA

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others	NA	
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(i) To Surface water		
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment		
With treatment – please specify level of treatment		NA
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3* emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	5,72,923.41	19,24,342.69
Total Scope 3 emissions per rupee of turnover	#tCO <sub>2</sub> e/Rs	0.00000215	0.00000863
-Total Scope 3 emission intensity	Scope 3/FTE <sup>^</sup>	20.82	79.04

*Independent Limited assurance has been carried out by KPMG Assurance and Consulting Services LLP for the disclosure in Integrated Report in accordance to GRI Standards (See Assurance Statement on Page 457)*

*For details on standards, methodologies, assumptions and/or calculation tools used, including sources of the global warming potential (GWP) rates and emission factors used - please refer to page 126 of the Environment section of the Bank's Integrated Annual Report*

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Use of renewable energy	Switched to sourcing renewable energy to power YES BANK House and 34 Branches in Mumbai	Share of renewable energy in the Bank's electricity mix increased to 11% resulting in approximately 4,435.77 tCO <sub>2</sub> e in avoided emissions in FY 2022-23
Enhanced energy efficiency	Migrated to light-emitting diode (LED) fixtures	100% LED facilities, pan India with estimated energy savings of approximately 2362.56 GJ; estimated annual reduction in electricity consumption of 6,56,265 kWh, resulting in the Bank avoiding 469.23 tCO <sub>2</sub> e emissions in FY 2022-23
Green Building certification	Two of YES BANK large offices have been certified as Green Buildings	YES BANK House is now Platinum certified and Delhi's Okhala Office is Gold certified
Composting	The Bank has set up a vermicompost machine at YBH to treat wet waste	YES BANK House produces zero waste to landfill as compost is used to maintain flora around the office
Zero Liquid Discharge	The Bank has set up a zero liquid discharge facility at YBH to treat its sewage	YES BANK House produces zero water discharge as treated water is used to maintain flora around the office

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Bank acknowledges and recognises the importance of ensuring resiliency in its business operations and maintaining the trust and confidence of its stakeholders, including customers, regulators, employees, and public at large. To minimise impact to its activities during disasters/disruptions, the Bank has put in place a Business Continuity Plan (BCP) for ensuring resiliency in its business operations. The plan is reviewed on an annual basis and the implementation of this plan is overseen by the Operational Risk Management Committee, chaired by the CRO. The Bank's business continuity plan is ISO 22301 certified.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

In FY 2021-22, YES BANK became the first Bank in India to measure and report financed emission of its electricity generation portfolio (covering corporate loans, investment, project finance). The Bank is striving to further scale up the approach to measure and report its financed emissions from other climate intensive sectors. This year, the Bank undertook targets to reduce the financed emissions intensity of its electricity generation portfolio in line with the sectoral decarbonisation approach by Science Based Targets initiative (SBTi) and aligned to the well below 2 degree scenario, striving for 1.5 degree scenario. For more details, please refer to the *Environment* section of the Integrated Annual Report on page 112.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Bank is currently engaging with its suppliers to build awareness and preparedness on ESG related issues. The Bank plans to conduct environmental assessments of its suppliers, in a phased manner, in future. Currently, 60+ strategic vendors accounting for nearly 85% of the Bank's procurement function-led spend were covered under the awareness programme.



**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**A. Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

YES BANK is affiliated to a number of trade and industry associations. Seven of key affiliations are listed below (alphabetically)

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

1. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
2. The Confederation of Indian Industry (CII)
3. Foreign Exchange Dealer's Association Of India (FEDAI)
4. The Federation of Indian Chambers of Commerce & Industry (FICCI)
5. The Fixed Income Money Market and Derivatives Association of India (FIMMDA)
6. Indian Banks' Association (IBA)
7. The National Association of Software and Service Companies (NASSCOM)

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

There are no such instances to report.

**B. Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

<b>S No.</b>	<b>Public Policy Advocated</b>	<b>Method resorted to for such advocacy</b>	<b>Whether information available in public domain (Yes/No)</b>	<b>Web link, if available</b>
1	Supporting the Electric Vehicle sector in India	Knowledge Partner to FICCI for their India's Century report – Roadmap to unlock the potential of the EV sector by 2047.  Prepared roadmap basis consultation with industry stakeholders.	Yes	<a href="https://india-century.com/Electric-Vehicle.html">https://india-century.com/Electric-Vehicle.html</a>
2	Promoting Sustainability in Indian Agriculture: Focus Areas for Responsible Growth	Knowledge Partnered with FICCI for a National Sustainable Agriculture Summit and Sustainability Awards Program 2022	Yes	Link not available
3	Supporting India's USD 2 billion export opportunity for Millets	Knowledge partner with the Agricultural and Processed Food Products Export Development Authority (APEDA) for the Pre-launch event of the International Year of Millets (2023) during Smart Nutritive Food Conclave	Yes	<a href="https://apeda.gov.in/milletportal/files/Indian_Superfood_Millet_APEDA_Report.pdf">https://apeda.gov.in/milletportal/files/Indian_Superfood_Millet_APEDA_Report.pdf</a> <a href="https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1880769">https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1880769</a>
4	Promoting India's export competitiveness	Knowledge partner with All India Spices Exporters' forum for the International Spice Conference	Yes	<a href="https://www.internationalspiceconference.com/agenda">https://www.internationalspiceconference.com/agenda</a>

S No.	Public Policy Advocated	Method resorted to for such advocacy	Whether information available in public domain (Yes/No)	Web link, if available
5	Promoting India's export potential for natural, organic and GI products	Knowledge partner with APEDA for the National Conference on Export Potential of Natural, Organic and GI products from India	Yes	<a href="https://timesofindia.indiatimes.com/city/guwahati/ne-has-potential-to-lead-country-in-exports-apeda/articleshow/92445293.cms">https://timesofindia.indiatimes.com/city/guwahati/ne-has-potential-to-lead-country-in-exports-apeda/articleshow/92445293.cms</a> <a href="https://agriculturepost.com/agribusiness/agri-marketing/apeda-formulates-strategy-to-promote-ne-region-as-agri-export-hub/">https://agriculturepost.com/agribusiness/agri-marketing/apeda-formulates-strategy-to-promote-ne-region-as-agri-export-hub/</a>
6	Recommendations for securing supply chain sustainability in Indian Maize Sector	Knowledge partner with FICCI for the 8 <sup>th</sup> India Maize summit 2022.	Yes	Link not available

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**A. Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable. YES BANK did not undertake any Social Impact Assessments (SIA)

Name and brief details of project	EIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable. YES BANK did not undertake any projects that require Rehabilitation and Resettlement

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA					

3. Describe the mechanisms to receive and redress grievances of the community.

Members of the community can report their grievance, if any, to the Branch Manager of their nearest YES BANK Branch or the Infrastructure and Facilities Management (IFM) team at the nearest YES BANK office. Community grievances are registered and resolved through the Bank's internal helpdesk system.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from SMEs/ small producers	Nearly 745 vendors with approx. spend of 700 Cr INR	Nearly 445+ vendors with approx. spend of 405 Cr INR
Sourced directly from within the district and neighboring districts	Not Available	Not Available

**B. Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In INR)
Rajasthan	Karauli	64,00,990
Gujarat	Dahod	19,92,870
Madhya Pradesh	Barwani	19,62,564
Odisha	Rayagada and Kalahandi	6,96,000

Note: The table reflects programs undertaken through YES Foundation, the social development arm of YES BANK, by deploying unutilised funds received as CSR donation from YES BANK prior to 2020.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)  
No
- (b) From which marginalised /vulnerable groups do you procure? NA
- (c) What percentage of total procurement (by value) does it constitute? NA
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:  
YES BANK does not own, nor has it acquired any intellectual property based on traditional knowledge.

Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
			NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.  
Not Applicable

Name of authority	Brief of the Case	Corrective action taken
		NA

6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Employability	>,5000	100
Entrepreneurship	>30,000	100
Environment Sustainability	>1,000 SMEs	

Note: The table reflects programs undertaken through YES Foundation, the social development arm of YES BANK, since April 2021, by deploying unutilised funds received as CSR donation from YES BANK prior to 2020.

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### A. Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

YES BANK has a Board approved Grievance Redressal Policy which is available on the Bank's website. Customers can visit the Bank's Branch, call the call center or write to YES Touch for any query/request/complaint. Further, the Bank has put in place a 3-Level Grievance Redressal Mechanism. To ensure timely resolution of Customer Complaints, all complaints are logged into the Bank's Customer Relationship Management (CRM) system and each CRM issue type has a system defined TAT. As mandated by the Reserve Bank of India, YES BANK has implemented a mechanism of Internal Ombudsman wherein all customer complaints which are denied/partially denied by the Bank are referred to the Internal Ombudsman, prior to Bank's final decision.

On the wholesale side, the Bank has a comprehensive service infrastructure for corporate customers especially for transaction intensive businesses. In addition to relationship and product sales teams, corporate servicing is focussed through the following:

- Corporate Service Delivery (CSD) Branches which take care of operations and in person contact based services;
- Priority Service Relationship Managers (PSRM) are allocated to high transactions/ business volume customers to act as single point of contact/ access/ attention
- The Bank also has a dedicated email ID and Virtual Contact Centre for receiving, record keeping and resolving customer service issues. All customer service issues are tracked and monitored for suitable redressal with due oversight in a multi-level structure, across senior management

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	<p>The Bank has adopted an Environment and Social Policy (ESP) which serves as a structured approach towards responsible lending. The ESP is an integral part of the Bank's Environment and Social Risk Management System (ESMS) which sets out the overarching framework for identification and management of potential and/ or existing environment and social (E&amp;S) risks commensurate with the nature and scale of transactions and their potential impacts. Through this policy, the Bank integrates environmental and social risks into its overall credit risk assessment framework.</p> <p><b>The Bank undertakes a number of initiatives to promote the adoption digital and paper-less banking in order to minimize the environmental impact of its services, such as:</b></p> <ul style="list-style-type: none"> <li>• Promoting the use of digital/ online statements in order to save paper</li> <li>• RMs are encouraged to disseminate marketing collaterals to customers in digital formats such as, short videos, images, GIFs that can be conveniently shared and consumed</li> <li>• Introduction of in-app statement generation to reduce the requirement of printed statements</li> <li>• Digitisation of account opening processes to reduce documentation</li> <li>• Regular review and migration of service requests to online channels, i.e. Internet Banking, Mobile Banking, etc</li> <li>• Replacing physical standees at branches and corporate offices with digital screens</li> </ul>
Safe and responsible usage	<p><b>YES BANK ensures that customers are well informed and educated on the safe and responsible ways to use its products and services</b></p> <ul style="list-style-type: none"> <li>• The Bank has set up a dedicated "Secure Banking" section on its website to educate customers on the safe and secure ways of using digital payments/ channels</li> <li>• The Bank also sends periodic advisories via email or SMS to inform customers on safety practices</li> <li>• Periodic campaigns such as the 'Say YES to Safe Online Banking' integrated campaign designed to spread awareness about cybersecurity and which was extensively promoted through online and offline channels, social media platforms, D2C emailers, YES TV in branches as well as on residential display properties</li> <li>• The Bank provides customers with complete information about the Bank's products including terms and conditions; schedule of charges applicable for various products/ services; channels through which services are rendered including branch lists / online channels; provision for applying to various products online; and the Bank's grievance redressal mechanism available for customers</li> <li>• Rural customers are informed about responsible practices in loan usage and repayment</li> </ul>
Recycling and/or safe disposal	NA

### 3. Number of consumer complaints in respect of the following:

Particulars	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	18	0	-	13	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	50	0	Sales related	21	0	Sales related
Other	62,636	2,097	General Grievances	47,154	1,451	General Grievances

Top five grounds of complaints received by the bank from customers basis the broad categorisation shared by RBI include – complaints relating to Internet/ Mobile/ Electronic Banking; ATM/Debit Cards; Loans and advances; Credit Cards; Account opening/difficulty in operation of accounts; Others

### 4. Details of instances of product recalls on account of safety issues:

Not Applicable

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		NA

### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Bank has instituted Information Security and Cyber Security policies which are defined based on the ISO 27001 framework. These policies are reviewed by the executive level Security Council and approved by Board. The Bank's Data Privacy policy, is based on General Data Protection Regulation (GDPR) guidelines, and has been defined for the businesses dealing with European customers. The policy is reviewed by the Security Council and approved by Board.

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

#### 1. AT 1 bonds

In the matter of alleged mis-selling of AT I bonds, the Bank had received a show cause notice dated October 28, 2020 from SEBI as to why an inquiry be not held against the Bank in terms of Rule 4 of the Adjudication Rules read with section 15 I of the SEBI Act and penalty be not imposed under Sections 15 H of the SEBI Act, 1992 for the alleged violations. The Bank had submitted its interim response on November 10, 2020. On January 27, 2021, SEBI issued a Notice calling upon the Bank for personal hearing on February 11, 2021, based on the Show Cause Notice dated October 28, 2020. The Bank, thereafter, responded to SEBI vide letter dated February 09, 2021 reiterating the request made in its earlier interim response and also shared all documents pertaining to the litigation pending before various courts in relation to the write down and mis-selling allegation of AT 1 Bonds.

SEBI directed the Bank to file its reply on or before March 31, 2021 and scheduled the hearing on April 1, 2021 (for other Noticees reply was to be filed on March 30, 2021 and hearing was scheduled on March 31, 2021). The Bank filed its reply on March 31, 2021 and made submission/hearing on April 01, 2021. SEBI vide order dated April 12, 2021 imposed a penalty of ₹ 25 crores on the Bank.

Aggrieved by the above-mentioned SEBI order, the Bank preferred Appeal before the Hon'ble Securities Appellate Tribunal, Mumbai ("SAT"). SAT heard the Appeal and the effect and operation of the SEBI order dated April 12, 2021 has been stayed. The said appeal is pending final hearing.

## 2. Action Financial Services:

On January 22, 2021, the Bank received a Show Cause Notice ("SCN") from NCL informing that they had conducted a Limited Purpose Inspection of the Bank with respect to trading member Action Financial Services (India) Limited ("Action") to find out whether there has been an event of mis-use of client securities. Accordingly, it was observed that the Bank had sold client securities amounting to ₹ 1.95 crore and hence is in violation of certain SEBI circulars.

Thereafter on May 03, 2021, NCL passed an order as against the Bank to reinstate the securities wrongfully disposed of as detailed in the SCN and imposed a penalty of ₹ 1.95 lakh. NCL also directed the Bank to comply with the order within 15 days from the date of receipt of the order.

Aggrieved by the NCL order dated May 03, 2021, the Bank preferred an Appeal before the Securities Appellate Tribunal, Mumbai ("SAT"). SAT vide its order dated May 17, 2021 was pleased to stay the effect and operation of the NCL order dated May 03, 2021. After multiple adjournments, the matter was listed for hearing and is now reserved for orders.

## B. Leadership Indicators

### 1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information pertaining to the Bank, its products and services can be accessed on its website at: <https://www.yesbank.in/>

### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

YES BANK ensures that customers are well informed and educated on the safe and responsible ways to use its products and services

- The Bank has set up a dedicated "Secure Banking" section on its website to educate customers on the safe and secure ways of using digital payments/ channels
- The Bank also sends periodic advisories via email or SMS' to inform customers on safety practices
- Periodic campaigns such as the 'Say YES to Safe Online Banking' integrated campaign designed to spread awareness about cybersecurity and which was extensively promoted through online and offline channels, social media platforms, D2C emailers, YES TV in branches as well as on residential display properties
- The Bank provides customer with complete information about the Bank's products including terms and conditions; schedule of charges applicable for various products/ services; channels through which services are rendered including branch lists / online channels; provision for applying to various products online; and the Bank's grievance redressal mechanism available for customers

### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Disruption in services of the Bank (planned and unplanned) does have the potential to cause grave reputational damage. Keeping this in view, Corporate Communication is one of the most critical functions that is informed about any such development. The Corporate Communication team is entrusted with the responsibility of building a relevant communication strategy, based on the severity of the situation. The objective of this strategy is to position the Bank as a responsible financial entity that puts customer convenience at the centre of everything that it does. Appended below, are some steps taken by the Corporate Communication team to mitigate the risk that could arise as a result of service disruptions.

**Unplanned/Planned Downtimes:** In case of a downtime, the Bank's Corporate Communication team works with the Bank's Business and Digital Technology Solutions Group (BDTS) team to assess the cause of the disruption. The team then frames a communication that not just acknowledges the issue, but also provides a fair idea of the time required to restore normalcy. Post relevant approvals, the communication is disseminated to customers in the following ways:

1. **Press Release:** We may issue a brief press release to the media which talks about the downtime and carry other relevant details like services that got impacted, services that remain intact, as well as the time it will take to restore normalcy. Depending on the magnitude of the issue, we may choose to restrict the issuance of the release to a certain geographical region.
2. **Social Media:** This is a critical strategy wherein we acknowledge the downtime by proactively putting up a social media notification on all of the Bank's handles. Typically, the post should also carry details about the issue in brief and the services that have been impacted as well as the ones that are working seamlessly.
3. **Online Reputation Management (ORM):** A gist of the press release is shared with the ORM team which then uses it as reference to respond to customer queries/escalations on social media, emails and telephonic conversations.
4. **WhatsApp/SMS:** Considering customers are significantly more active in accessing information on their phones, we also make it point to communicate all critical information to customers through WhatsApp and SMS.

The strategies listed above are purely planned and executed basis the degree of impact and may not involve activating all four channels of communication every time.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

YES BANK provides customer with complete information about the Bank's products including terms and conditions; schedule of charges applicable for various products/ services; channels through which services are rendered including branch lists / online channels; provision for applying to various products online; and the Bank's grievance redressal mechanism available for customers

Yes. The Bank has a robust Customer Experience Framework wherein customer feedback is measured post their interaction with the Bank, across channels. The Bank's Net Promoter score (NPS) is measured across channels like Branch Banking, Digital channels, Call Centers, Relationship Managers, amongst others, and customer insights, therein are shared with teams across the Bank.

5. **Provide the following information relating to data breaches:**

Particulars	Answer
Number of instances of data breaches along-with impact	Nil
Percentage of data breaches involving personally identifiable information of customers	NA

# Independent Auditors' Report

## To the Members of

### YES BANK Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of YES BANK Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2023, the Profit and Loss Account and 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.

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 section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') and circulars and guidelines issued by the Reserve Bank of India, 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, including the Accounting Standards prescribed under section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 as amended to the extent applicable, of the state of affairs of the Bank as at March 31, 2023, and its profit, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

#### Key Audit Matters

#### Auditor's Response

##### Income Recognition and Asset Classification of Advances and Investments (IRAC) and Provisioning as per regulatory norms

Please refer to schedule 8 and schedule 9, read with relevant Notes relating to provisions and contingencies, disclosures with regard to Non Performing Investments (NPI) and Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions respectively.

As required under prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to investments as well as those pertaining to advances, "Resolution framework for Covid-19 related Stress" (the "Resolution Framework") issued by the RBI on August 06, 2020 and May 05, 2021 and relevant other circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2023, classifies advances into performing and non-performing advances (NPA) which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.

Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to investments and advances. In particular:

- We have evaluated the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to investments and advances;
- We have tested key IT systems/ applications used and their design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification viz., standard, sub-standard, doubtful and loss with reference to their days-past-due (DPD) status (including consideration of non-financial parameters of NPA, including sufficiency of credits in working capital loans, restructuring guidelines, the Regulatory Package and Resolution framework) and provisioning pertaining to investments and advances;



Key Audit Matters	Auditor's Response
<b>Income Recognition and Asset Classification of Advances and Investments (IRAC) and Provisioning as per regulatory norms</b>	
<p>The Bank, as per its governing framework, made the performing and non-performing advances provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under RBI guidelines.</p> <p>The Classification, Provisioning and Write off of Advances including Investments is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across various sectors, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, nature of transactions and estimation of provisions thereon and identification of accounts to be written off.</p>	<ul style="list-style-type: none"> <li>We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines;</li> <li>We have selected restructured accounts on sample basis and tested their compliance with relevant RBI guidelines;</li> <li>For the selected non-performing advances, we assessed Management's forecast and inputs of recoverable cash flows, borrower's audited financial statements, valuation of underlying security and collaterals, estimation of recoverable amounts on default and other sources of repayment;</li> <li>Reviewed Bank's policy including Standard Operating Procedures with respect to implementation of Regulatory package and Resolution framework ('guidelines') and tested samples to ascertain the implementation of those guidelines by the Bank.</li> </ul>
<b>Provisions for advances:</b>	
<ul style="list-style-type: none"> <li>Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning;</li> <li>Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;</li> <li>We had undertaken the walkthrough for the automated E-NPA system and tested the core functionality for selected samples considering the audit universe.</li> <li>Validated the parameters used to calculate collective provisions with reference to IRAC norms, and Regulatory Package;</li> <li>Tested provision created for fraud accounts as at March 31, 2023 as per the RBI circular;</li> <li>Re-performed, for a sample of retail and corporate portfolios, as part of our substantive audit procedures the calculation of provisions, to determine the accuracy of the same; (Collective for standard portfolio and case specific for non performing portfolio)</li> <li>Assessed the adequacy of disclosures against the RBI Guidelines</li> </ul>	
<b>Key Audit Matter on Sale of Stressed Loans to Asset Reconstruction Company</b>	
<p>Please refer to Note No. 17.5.12 relating to Sale of Stressed Loans. As mentioned therein pursuant to the conclusion of the Swiss Challenge process, the Board of Directors of the Bank, at their meeting held on September 20, 2022, approved JC Flowers Asset Reconstruction Private Ltd. ('JCF ARC') for sale of identified stressed loans of the Bank aggregating up to ₹ 480,000 million as at March 31, 2022.</p> <p>The gross value of exposures transferred to JCF ARC was ₹ 437,158 million, which included exposures worth ₹ 151,981 million earlier written-off by the Bank. The net book value ('NBV') of exposures in the Bank's books as on the date of assignment was ₹ 49,818 million and the final consideration received was ₹ 80,459 million under 15:85 cash and security receipts structure.</p>	<p>Our Audit procedures with respect to this matter inter-alia involved an understanding of sale of stressed loan portfolio by the Bank to JCF ARC keeping in view the requirements as per Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 ('Master Directions'), as amended on December 05, 2022. Our substantive audit procedures includes:</p> <ul style="list-style-type: none"> <li>Inquiry with the senior management to understand the structure of the transaction</li> <li>Perusal of various documents viz. term sheet, agreements, trust deeds, confirmations received / executed by the Bank</li> <li>Review of relevant internal/external documents / records / reports</li> </ul>

Key Audit Matters	Auditor's Response
<p><b>Key Audit Matter on Sale of Stressed Loans to Asset Reconstruction Company</b></p> <p>The Bank has also acquired 9.9% equity shareholding in JCF ARC and applied to RBI for increase of stake in JCF ARC from 9.9% to up to 19.9%.</p> <p>We have identified this transaction as a Key Audit Matter considering its materiality with reference to gross book value of the stressed assets transferred and complexity.</p>	<ul style="list-style-type: none"> <li>• Perusal of noting made in minutes of Board &amp; its Committees with respect to sale of loan portfolio to JCF ARC</li> <li>• Reviews of compliance with the aforesaid Master Directions with respect to transfer of loan exposure inter-alia basis check-list prepared by the Bank</li> <li>• List of Corporate Loans identified by the Bank for sale to ARC vis-à-vis allocation of these accounts amongst various trusts of JCF ARC</li> <li>• Procedure for pool identification in case of the retail loan portfolio sold to ARC</li> <li>• Accounting for the transfer of loan exposure, its provisioning and receipt of Cash and Security Receipts</li> <li>• Valuation of Security Receipts at reporting dates, keeping in view the clarification sought by the Bank from RBI</li> <li>• Assessed the adequacy of disclosures as per RBI Guidelines</li> </ul>
<p><b>IT Systems and Controls over financial reporting</b></p> <p>The Bank's key financial accounting and reporting processes are highly dependent on Core Banking and Treasury Solutions and other supporting software and hardware controls. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant and updated. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC). Such controls contribute to risk mitigation of erroneous output data.</p>	<ul style="list-style-type: none"> <li>• We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. As part of our IT controls testing, we have tested ITGC as well as ITAC for selected critical applications. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification/ Authentication, Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions. The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. The areas for improvement as and when noticed are communicated for suitable actions to the Bank as part of our audit. The corrective steps / alternate controls deployed by the Bank are tested on sample basis.</li> <li>• In ITGC testing, on sample basis, we reviewed control areas such as User Management, Change Management, Systems Security, Cyber Security, Interface Testing, deployment of new applications, Incident Management, Physical &amp; Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</li> <li>• For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies, restriction on time period in which transactions may be recorded and GL mapping for financial accounting.</li> <li>• We tested the control environment using various techniques such as inquiry, walkthroughs in live environment, testing in UAT environment, review of documentation / record / reports, observation and re-performance. We had taken adequate samples of instances for our tests considering the audit universe.</li> </ul>

Key Audit Matters	Auditor's Response
<p><b>IT Systems and Controls over financial reporting</b></p> <p>We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<ul style="list-style-type: none"> <li>Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.</li> <li>In addition, we have also relied on IS audit conducted by internal audit department, and also the testing of Internal Financial Control conducted by the Operational Risk Management department of the Bank.</li> </ul>
<p><b>Recognition and Measurement of Deferred Tax Asset</b></p> <p>The Bank has recognized a net deferred tax asset of ₹ 89,412 million as at March 31, 2023, including net decrease of ₹ 2,431 million during the year.</p> <p>Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future and also considering probable impact of Covid-19 pandemic.</p> <p>The amount of deferred tax assets recognized presumes availability and forecasting of profits over an extended period of time thus increasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures involved gaining an understanding of the applicable tax laws and relevant regulations applicable to the Bank. We performed the following audit procedures as part of our controls testing:</p> <ul style="list-style-type: none"> <li>Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income;</li> <li>Assessed the probability of the availability of future taxable profits based on assumptions and other parameters used by the Management including the probable impact of Covid-19 pandemic against which the Bank will be able to use this deferred tax asset in the future with reference to forecast as noted by the Board of Directors while adopting the standalone financial statements.</li> <li>Assessed the method for determining the Deferred Tax Asset with reference to applicable tax rates and tested the arithmetical accuracy.</li> </ul>

### Information other than the standalone financial statements and Auditor's Report thereon

The Bank's management and Board of Directors are responsible for the Other Information. The other information comprises the Management Discussion and Analysis, Directors' Report, including Annexures to Directors' Report and the Pillar 3 Disclosures under the New Capital Adequacy Framework (Basel III disclosures) (collectively called as "Other Information") but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the standalone financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 as amended to the extent applicable, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines

issued by Reserve Bank of India ('RBI') from time to time, as applicable to the Bank. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

- 1) The balance sheet and the profit and loss account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules issued thereunder.
- 2) 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. Nevertheless, during the course of our audit we have visited 56 branches to examine the records maintained at such branches for the purpose of our audit.
- 3) As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Bank
- so far as it appears from our examination of those books;
- (c) the standalone balance sheet, the standalone profit and loss account, and the standalone cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standard) Rules, 2021, as amended, 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 at March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- 4) 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, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) the Bank has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note No. 17.5.11 and 17.5.78 to the standalone financial statements;
  - (b) 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 No. 17.5.75 read with Note No. 17.5.19 to the standalone financial statements;
  - (c) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2023 - Refer Note No. 17.5.64 to the standalone financial statements.

- (d) (i) The management of the Bank has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts (Refer Note No. 17.5.36), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management of the Bank has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts (Refer Note No. 17.5.36) no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- (e) No dividend has been declared or paid during the year by the Bank.
- (f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023; and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended March 31, 2023.
- 5) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act; the Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 (the 'act') do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

**For M P Chitale & Co.**

Chartered Accountants  
(Firm Regn. No. 101851W)

**Anagha Thatte**

Partner  
(Membership No. 105525)  
UDIN: 23105525BGVABA7826

Place: Mumbai

Date: April 22, 2023

**For Chokshi & Chokshi LLP**

Chartered Accountants  
(Firm Regn. No. 101872W / W100045)

**Vineet Saxena**

Partner  
(Membership No. 100770)  
UDIN: 23100770BGXLGO1368

Place: Mumbai

Date: April 22, 2023

## Annexure A to the Independent Auditor's Report

of even date on the standalone financial statements of YES BANK Limited for the year ended March 31, 2023

**(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of YES BANK Limited on the standalone financial statements for the year ended March 31, 2023)**

### **Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of YES BANK Limited ("the Bank") as at March 31, 2023 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 management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements the 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 the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to standalone financial statements 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 over financial reporting, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A Bank's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to financial statement includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statement 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 maintained, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

#### **For M P Chitale & Co.**

Chartered Accountants  
(Firm Regn. No. 101851W)

#### **Anagha Thatte**

Partner  
(Membership No. 105525)  
UDIN: 23105525BGVABA7826

Place: Mumbai

Date: April 22, 2023

#### **For Chokshi & Chokshi LLP**

Chartered Accountants  
(Firm Regn.No.101872W/W100045)

#### **Vineet Saxena**

Partner  
(Membership No. 100770)  
UDIN: 23100770BGXLGO1368

Place: Mumbai

Date: April 22, 2023



# Standalone Balance Sheet

as at March 31 2023

(₹ in thousands)

	Schedule	As at March 31, 2023	As at March 31, 2022
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	57,509,551	50,109,906
Share Warrants Subscription Money	Note 17.5.2	9,483,918	-
Reserves and surplus	2	340,431,129	287,308,864
Deposits	3	2,175,018,616	1,971,917,331
Borrowings	4	774,519,923	722,045,835
Other liabilities and provisions	5	190,898,171	150,820,314
<b>TOTAL</b>		<b>3,547,861,308</b>	<b>3,182,202,250</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	128,640,853	434,522,666
Balances with banks and money at call and short notice	7	64,103,522	31,873,228
Investments	8	768,882,974	518,955,557
Advances	9	2,032,694,436	1,810,519,910
Fixed assets	10	24,447,724	21,331,268
Other assets	11	529,091,799	364,999,621
<b>TOTAL</b>		<b>3,547,861,308</b>	<b>3,182,202,250</b>
Contingent liabilities	12	6,613,854,796	6,801,462,379
Bills for collection		174,132,625	49,919,078
Significant Accounting Policies and Notes to Accounts forming part of financial statements	17		

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

The Balance Sheet has been prepared in conformity with Form A of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

**For M P Chitale & Co**  
Chartered Accountants  
Firm's Registration No: 101851W

**For and on behalf of the Board of Directors**  
**YES BANK Limited**  
CIN: L65190MH2003PLC143249

**Anagha Thatte**  
Partner  
Membership No. 105525

**Rama Subramaniam Gandhi** **Sanjay Khemani**  
Chairman Director  
(DIN: 03341633) (DIN: 00072812)

**Prashant Kumar**  
Managing Director & CEO  
(DIN: 07562475)

**For Chokshi & Chokshi LLP**  
Chartered Accountants  
Firm's Registration No: 101872W/W100045

**Vineet Saxena**  
Partner  
Membership No. 100770

**Rajan Pental**  
Director  
(DIN: 08432870)

**Niranjan Banodkar**  
Chief Financial Officer

**Shivanand R. Shettigar**  
Company Secretary

Mumbai  
April 22, 2023

# Standalone Profit & Loss Account

for the period ended March 31 2023

(₹ in thousands)

	Schedule	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I. INCOME</b>			
Interest earned	13	226,974,304	190,235,113
Other income	14	39,266,498	32,624,693
<b>TOTAL</b>		<b>266,240,802</b>	<b>222,859,806</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	147,798,587	125,256,577
Operating expenses	16	86,614,575	68,443,940
Provisions and contingencies (Refer note 17.5.12)		24,653,553	18,497,165
<b>TOTAL</b>		<b>259,066,715</b>	<b>212,197,682</b>
<b>III. PROFIT / (LOSS)</b>			
Net profit/(loss) for the year		7,174,087	10,662,124
Profit/(loss) brought forward		(106,965,664)	(108,719,603)
<b>TOTAL</b>		<b>(99,791,577)</b>	<b>(98,057,479)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		1,793,522	2,665,531
Transfer to Capital Reserve		31,666	108,307
Transfer to Investment Reserve		16,787	34,300
Transfer to Investment Fluctuation Reserve		2,358,763	1,347,886
Transfer to Revenue and other Reserves (Refer note 17.5.9)		(3,472,576)	4,752,161
Dividend paid		-	-
Balance carried over to balance sheet		(100,519,740)	(106,965,664)
<b>TOTAL</b>		<b>(99,791,577)</b>	<b>(98,057,479)</b>
Significant Accounting Policies and Notes to Accounts forming part of financial statements	17		
Earning per share (Refer Sch. 17.5.41)			
Basic (₹)		0.27	0.43
Diluted (₹)		0.27	0.43
(Face Value of Equity Share is ₹ 2/-)			

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account

The Profit and Loss Account has been prepared in conformity with Form B of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

**For M P Chitale & Co**

Chartered Accountants

Firm's Registration No: 101851W

**For and on behalf of the Board of Directors**

**YES BANK Limited**

CIN: L65190MH2003PLC143249

**Anagha Thatte**

Partner

Membership No. 105525

**Rama Subramaniam Gandhi**

Chairman

(DIN: 03341633)

**Sanjay Khemani**

Director

(DIN: 00072812)

**Prashant Kumar**

Managing Director & CEO

(DIN: 07562475)

**For Chokshi & Chokshi LLP**

Chartered Accountants

Firm's Registration No: 101872W/W100045

**Vineet Saxena**

Partner

Membership No. 100770

**Rajan Pental**

Director

(DIN: 08432870)

**Niranjan Banodkar**

Chief Financial Officer

**Shivanand R. Shettigar**

Company Secretary

Mumbai

April 22, 2023

# Standalone cash flow Statement

for the year ended March 31, 2023

(₹ in thousands)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flow from/(used in) Operating Activities</b>		
<b>Net profit before taxes</b>	<b>9,629,184</b>	<b>14,358,481</b>
<b>Adjustment for</b>		
ESOP Compensation Expense	216,262	82,420
Depreciation for the year	4,290,578	3,983,619
Amortization of premium on investments	3,868,850	3,400,038
Provision for investments	24,122,209	7,596,484
Provision for standard advances	(1,496,202)	(251,526)
Provision/write off of non performing advances	(15,264,116)	21,157,827
Other provisions	(225,075)	(2,190)
(Profit)/Loss on sale of subsidiaries	-	(149,403)
(Profit)/Loss on sale of land, building and other assets	(46,659)	125,884
(i)	<b>25,095,031</b>	<b>50,301,634</b>
<b>Adjustments for :</b>		
Increase / (Decrease) in Deposits	203,101,285	342,450,909
Increase/(Decrease) in Other Liabilities	42,816,613	8,126,433
(Increase)/Decrease in Investments	(156,270,461)	44,367,908
(Increase)/Decrease in Advances	(206,910,410)	(162,747,799)
(Increase)/Decrease in Other assets	(163,387,371)	(45,294,296)
(ii)	<b>(280,650,344)</b>	<b>186,903,155</b>
Payment of direct taxes	(704,806)	(971,711)
(iii)	<b>(704,806)</b>	<b>(971,711)</b>
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(256,260,119)</b>	<b>236,233,078</b>
<b>Cash flow from/(used in) investing activities</b>		
Purchase of fixed assets	(7,884,038)	(4,065,749)
Proceeds from sale of fixed assets	523,661	110,282
Investment in subsidiaries	-	(30,000)
Proceeds from sale of subsidiaries	-	844,578
Investment in equity shares of J.C. Flowers Asset Reconstruction Pvt Ltd	(270,090)	-
(Increase) / Decrease in Held To Maturity (HTM) securities	(121,377,925)	(141,793,687)
<b>Net cash generated / (used in) from investing activities (B)</b>	<b>(129,008,392)</b>	<b>(144,934,576)</b>
<b>Cash flow from/(used in) financing activities</b>		
Increase/(decrease) in Borrowings (gross)	70,112,088	96,683,237
Tier I/II Debt repaid during the year	(17,638,000)	(14,128,250)
Proceeds from issue of Share Capital (net of share issue expense)	50,881,913	635
Proceeds from share warrants subscription money	9,483,918	-
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>112,839,919</b>	<b>82,555,622</b>
Effect of exchange fluctuation on translation reserve (D)	(1,222,927)	(545,554)

# Standalone cash flow Statement

for the year ended March 31, 2023

(₹ in thousands)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>(273,651,519)</b>	<b>173,308,570</b>
<b>Cash and cash equivalents as at April 1<sup>st</sup></b>	<b>466,395,894</b>	<b>293,087,324</b>
<b>Cash and cash equivalents as at Mar 31<sup>st</sup></b>	<b>192,744,375</b>	<b>466,395,894</b>
<b>Notes to the Cash flow statement:</b>		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	128,640,853	434,522,666
Balances with Banks and Money at Call and Short Notice	64,103,522	31,873,228
<b>Cash and cash equivalents as at March 31<sup>st</sup></b>	<b>192,744,375</b>	<b>466,395,894</b>

As per our report of even date attached.

**For M P Chitale & Co**

Chartered Accountants

Firm's Registration No: 101851W

**For and on behalf of the Board of Directors**

**YES BANK Limited**

CIN: L65190MH2003PLC143249

**Anagha Thatte**

Partner

Membership No. 105525

**Rama Subramaniam Gandhi**

Chairman

(DIN: 03341633)

**Sanjay Khemani**

Director

(DIN: 00072812)

**Prashant Kumar**

Managing Director & CEO

(DIN: 07562475)

**For Chokshi & Chokshi LLP**

Chartered Accountants

Firm's Registration No: 101872W/W100045

**Vineet Saxena**

Partner

Membership No. 100770

**Rajan Pental**

Director

(DIN: 08432870)

**Niranjan Banodkar**

Chief Financial Officer

**Shivanand R. Shettigar**

Company Secretary

Mumbai

April 22, 2023

# Schedules

forming a part of Balance Sheet

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 1 - CAPITAL</b>		
<b>Authorised Capital</b>		
40,000,000,000 equity shares of ₹ 2/- each	80,000,000	60,000,000
20,000,000 preference shares of ₹ 100/- each	2,000,000	2,000,000
<b>Issued and subscribed capital (Refer Sch 17.5.1)</b>		
28,754,775,334 equity shares of ₹ 2/- each	57,509,551	50,109,906
(Previous year: 25,054,952,981 equity shares of ₹ 2/- each)		
<b>TOTAL</b>	<b>57,509,551</b>	<b>50,109,906</b>

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>		
<b>I. Statutory Reserves</b>		
Opening balance	51,599,631	48,934,100
Additions during the year	1,793,522	2,665,531
Deductions during the year	-	-
Closing balance	<b>53,393,153</b>	<b>51,599,631</b>
<b>II. Share Premium</b>		
Opening balance	322,949,781	322,949,240
Additions during the year (Refer Sch 17.5.1)	43,488,792	541
Deductions during the year	-	-
Closing balance	<b>366,438,573</b>	<b>322,949,781</b>
<b>III. Capital Reserve</b>		
Opening balance	17,268,151	17,159,844
Additions during the year (Refer Sch 17.5.4)	31,666	108,307
Deductions during the year	-	-
Closing balance	<b>17,299,817</b>	<b>17,268,151</b>
<b>IV. Investment Reserve</b>		
Opening balance	568,129	533,829
Additions during the year (Refer Sch 17.5.5)	16,787	34,300
Deductions during the year	-	-
Closing balance	<b>584,916</b>	<b>568,129</b>
<b>V. Foreign Currency Translation Reserve</b>		
Opening balance	(80,536)	465,018
Additions during the year	(1,222,927)	(545,554)
Deductions during the year	-	-
Closing balance	<b>(1,303,463)</b>	<b>(80,536)</b>
<b>VI. Cash Flow Hedge Reserve</b>		
Opening balance	-	(8,020)
Additions during the year (Refer Sch 17.5.6)	-	8,020
Deductions during the year	-	-
Closing balance	-	-
<b>VII. Investment Fluctuation Reserve</b>		
Opening balance	1,886,952	539,066
Additions during the year (Refer Sch 17.5.7)	2,358,763	1,347,886
Deductions during the year	-	-
Closing balance	<b>4,245,715</b>	<b>1,886,952</b>

# Schedules

forming a part of Balance Sheet

	As at March 31, 2023	As at March 31, 2022
(₹ in thousands)		
<b>VIII. ESOP Compensation Reserve</b>		
Opening balance	82,420	-
Additions during the year (Refer Sch 17.5.8)	216,262	82,420
Deductions during the year	6,524	-
Closing balance	<b>292,158</b>	<b>82,420</b>
<b>IX. Balance in Profit and Loss Account</b>	<b>(100,519,740)</b>	<b>(106,965,664)</b>
	<b>340,431,129</b>	<b>287,308,864</b>

	As at March 31, 2023	As at March 31, 2022
(₹ in thousands)		
<b>SCHEDULE 3 - DEPOSITS</b>		
<b>A. I. Demand Deposits</b>		
i) From Banks	19,913,112	21,632,926
ii) From others	316,115,700	242,258,230
<b>II. Savings Bank Deposit</b>	332,999,169	349,704,727
<b>III. Term Deposits</b>		
i) From banks	93,738,300	128,534,720
ii) From others (incl. certificate of deposits issued)	1,412,252,335	1,229,786,728
<b>TOTAL</b>	<b>2,175,018,616</b>	<b>1,971,917,331</b>
<b>B. I. Deposits of branches in India</b>	2,165,931,488	1,971,567,528
<b>II. Deposits of branches outside India</b>	9,087,128	349,803
<b>TOTAL</b>	<b>2,175,018,616</b>	<b>1,971,917,331</b>

	As at March 31, 2023	As at March 31, 2022
(₹ in thousands)		
<b>SCHEDULE 4 - BORROWINGS</b>		
<b>A. Borrowing in India</b>		
i) Reserve Bank of India <sup>1</sup>	67,370,000	70,600,000
ii) Other banks	19,271,250	24,948,125
iii) Other institutions and agencies <sup>1&amp;2</sup>	442,696,692	359,432,742
iv) Innovative Perpetual Debt Instruments (IPDI)	2,800,000	2,800,000
v) Tier II Borrowings	139,412,000	157,050,000
<b>TOTAL (A)</b>	<b>671,549,942</b>	<b>614,830,867</b>
<b>B. Borrowings outside India</b>		
i) Borrowings outside India	102,969,981	107,214,968
ii) Innovative Perpetual Debt Instruments (IPDI)	-	-
iii) Tier II Borrowings	-	-
<b>TOTAL (B)</b>	<b>102,969,981</b>	<b>107,214,968</b>
<b>TOTAL (A+B)</b>	<b>774,519,923</b>	<b>722,045,835</b>

(1) Secured borrowings are ₹ 111,808,311 thousands (Previous year: ₹ 126,362,748 thousands).

(2) Including ₹ 360,458,382 thousands of refinance borrowing (Previous year: ₹ 265,869,994 thousands) ₹ 16,450,000 thousands (Previous year: ₹ 16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹ 21,350,000 thousands (Previous year: ₹ 21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

# Schedules

forming a part of Balance Sheet

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills payable	7,511,786	7,317,200
II. Inter-office adjustments (net)	-	-
III. Interest accrued	24,363,761	17,847,891
IV. Others (including provisions)		
- Provision for standard advances	17,744,816	19,241,018
- Country risk provision	102,035	103,851
- Others*	141,175,773	106,310,354
- Income Tax Provision	-	-
<b>TOTAL</b>	<b>190,898,171</b>	<b>150,820,314</b>

\*Others includes Marked to Market adjustments on derivatives ₹ 69,922,500 thousands (previous year ₹ 56,522,300 thousands)

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
I. Cash in hand (including foreign currency notes)	8,891,955	7,929,037
II. Balances with Reserve Bank of India		
- In current account	119,748,898	82,743,629
- In other account*	-	343,850,000
<b>TOTAL</b>	<b>128,640,853</b>	<b>434,522,666</b>

\*Includes reverse repo with RBI in compliance with RBI circular RBI/2022-23/55 DOR.ACC.REC.No.37/21.04.018/2022-23 dtd May 19, 2022

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
<b>I. In India</b>		
<b>Balances with banks-</b>		
i) In current accounts	3,226,769	2,571,584
ii) In other deposit accounts	864,510	2,615,052
<b>Money at call and short notice</b>		
i) With Banks	820,000	-
ii) With other institutions	24,331,430	-
<b>TOTAL (I)</b>	<b>29,242,709</b>	<b>5,186,636</b>
<b>II. Outside India</b>		
i) In current account	10,199,952	25,246,534
ii) In other deposit account	-	-
iii) Money at call and short notice	24,660,860	1,440,058
<b>TOTAL (II)</b>	<b>34,860,813</b>	<b>26,686,592</b>
<b>TOTAL (I+II)</b>	<b>64,103,522</b>	<b>31,873,228</b>

# Schedules

forming a part of Balance Sheet

	As at March 31, 2023	As at March 31, 2022
(₹ in thousands)		
<b>SCHEDULE 8 - INVESTMENTS (Net of provisions)</b>		
<b>A. Investments in India</b>		
i) Government Securities*	651,582,015	437,084,560
ii) Other approved securities	-	-
iii) Shares	503,120	214,321
iv) Debentures and bonds	49,889,311	53,921,028
v) Subsidiaries and/or joint ventures	1,490,000	1,490,000
vi) Others (Commercial Papers, Certificate of Deposits, Security Receipts, Pass through certificates, Mutual Funds, Venture Capital Funds etc.)	50,922,443	21,541,552
<b>TOTAL (I)</b>	<b>754,386,889</b>	<b>514,251,461</b>
<b>B. Investments outside India</b>		
i) Government Securities	12,202,605	3,030,418
ii) Shares	6,630	6,243
iii) Debentures and bonds	1,330,786	-
iv) Others (Mutual Funds)	956,064	1,667,435
<b>TOTAL (II)</b>	<b>14,496,085</b>	<b>4,704,096</b>
<b>TOTAL (I+II)</b>	<b>768,882,974</b>	<b>518,955,557</b>

\* Includes securities of face value ₹ 112,842,783 thousands (Previous year: ₹ 135,100,288 thousands) pledged for clearing facility and margin requirements.

	As at March 31, 2023	As at March 31, 2022
(₹ in thousands)		
<b>SCHEDULE 9 - ADVANCES (Net of provisions)</b>		
<b>A.</b>		
i) Bills purchased and discounted (net of Bills rediscounted)	26,954,447	31,753,105
ii) Cash credit, overdrafts and loans repayable on demand <sup>(1)</sup>	603,540,532	427,745,858
iii) Term loans	1,402,199,457	1,351,020,947
<b>TOTAL</b>	<b>2,032,694,436</b>	<b>1,810,519,910</b>
<b>B.</b>		
i) Secured by tangible assets <sup>(1)</sup> (includes advances secured by fixed deposits and book debt)	1,532,745,867	1,357,438,473
ii) Covered by Bank/Government guarantees	63,408,099	28,727,222
iii) Unsecured <sup>(2)(3)</sup>	436,540,470	424,354,214
<b>TOTAL</b>	<b>2,032,694,436</b>	<b>1,810,519,909</b>
<b>C. I. Advances in India</b>		
i) Priority sectors	759,181,119	634,489,440
ii) Public sector	-	62,480
iii) Banks	3,002,559	7,751,064
iv) Others	1,204,823,831	1,090,783,392
<b>TOTAL (I)</b>	<b>1,967,007,509</b>	<b>1,733,086,377</b>
<b>II. Advances outside India</b>		
i) Due from Banks	1,052,637	336,186
ii) Due from Others	64,634,290	77,097,347
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	10,654,379	7,108,155
(c) Others	53,979,911	69,989,192
<b>TOTAL (II)</b>	<b>65,686,927</b>	<b>77,433,533</b>
<b>TOTAL (I+II)</b>	<b>2,032,694,436</b>	<b>1,810,519,910</b>

(1) Includes ₹ 30,689,277 thousands (Previous year: NIL) of Interbank Reverse Repo having original tenors more than 14 days are classified as Advances as per RBI Master circular No DOR.ACC.REC.NO.37/21.04.018/2022-23.

(2) Includes at March 31, 2023 advances of ₹ 48,929,005 thousands (Previous year: ₹ 36,761,150 thousands) for which security documentation is either being obtained or being registered.

(3) Includes at March 31, 2023 advances amounting to ₹ 1,427,223 thousands (Previous year: ₹ 6,605,716 thousand) has been secured by intangible securities such as charge over the rights, licenses, authority, etc.



# Schedules

forming a part of Balance Sheet

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 10 - FIXED ASSETS</b>		
<b>I. Premises</b>		
At cost as at March 31 <sup>st</sup> of preceding year	12,480,561	12,480,561
Additions during the year	-	-
Deductions during the year	(378,031)	-
Accumulated depreciation to date	(356,925)	(219,207)
<b>TOTAL (I)</b>	<b>11,745,605</b>	<b>12,261,354</b>
<b>II. Other Fixed Assets (including furniture and fixtures and software)</b>		
At cost as at March 31 <sup>st</sup> of preceding year	27,003,222	25,492,391
Additions during the year	6,167,179	3,443,719
Deductions during the year	(839,884)	(1,932,888)
Accumulated depreciation to date	(22,586,082)	(19,174,133)
<b>TOTAL (II)</b>	<b>9,744,435</b>	<b>7,829,089</b>
<b>TOTAL (I+II)</b>	<b>21,490,040</b>	<b>20,090,443</b>
Capital work-in-progress	2,957,684	1,240,825
<b>TOTAL</b>	<b>24,447,724</b>	<b>21,331,268</b>

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 11 - OTHER ASSETS</b>		
I. Interest Accrued	22,422,111	17,761,146
II. Advance tax and tax deducted at source (net of provision)	6,851,567	6,035,353
III. Deferred tax asset (Refer Sch 17.5.53)	89,411,542	91,842,076
IV. Stationery and stamps	1,563	5,544
V. Non-Banking assets acquired in satisfaction of claims	353,000	353,000
VI. Others*	410,052,016	249,002,502
<b>TOTAL</b>	<b>529,091,799</b>	<b>364,999,621</b>

\*1. Includes deposits placed with NABARD/SIDBI/NHB, etc. of ₹ 309,095,659 thousands (Previous year ₹ 172,696,815 thousands) on account of shortfall in priority sector targets.

2. Includes Marked to Market adjustments on derivatives of ₹ 62,901,600 thousands (Previous year ₹ 50,384,800 thousands)

# Schedules

forming a part of Balance Sheet

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>		
I. Claims against the bank not acknowledged as debts	792,648	1,208,279
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	2,871,564,016	3,421,931,086
IV. Liability on account of outstanding derivative contracts		
(a) Single currency Interest Rate Swap	2,601,271,973	2,294,845,134
(b) Others	341,007,859	314,403,390
V. Guarantees given on behalf on constituents		
(a) In India	444,062,267	399,862,550
(b) Outside India	219,497	-
VI. Acceptances, endorsement and other obligations	171,293,059	148,184,168
VII. Other items for which the bank is contingently liable		
(a) Purchase of securities pending settlement	1,752,006	4,995,690
(b) Capital commitment	3,891,446	2,811,655
(c) Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	203,755	119,099
(d) Foreign exchange contracts (Tom & Spot)	175,065,652	211,190,532
(e) Custody	2,730,617	1,910,795
(f) Bills Rediscounting	-	-
(g) Undrawn partial credit enhancement facilities	-	-
(h) When Issued ('WI') securities	-	-
<b>TOTAL</b>	<b>6,613,854,796</b>	<b>6,801,462,379</b>

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as at March 31, 2023 includes notional amount of ₹ 2,388,453,904 thousands and ₹ 1,335,920,303 thousands (Previous year: ₹ 2,760,893,820 thousands and ₹ 750,794,782 thousands) guaranteed by CCL representing 83.18% and 51.36% (Previous year: 80.68% and 32.72%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

# Schedules

forming a part of Profit and Loss Account

(₹ in thousands)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 13 - INTEREST EARNED</b>		
I. Interest/discount on advances/bills	178,224,008	150,949,108
II. Income on investments (including dividend)	35,645,993	28,780,909
III. Interest on balances with Reserve Bank of India and other inter-bank funds	8,410,286	7,020,739
IV. Others	4,694,017	3,484,357
<b>TOTAL</b>	<b>226,974,304</b>	<b>190,235,113</b>

(₹ in thousands)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 14 - OTHER INCOME</b>		
I. Commission, exchange and brokerage	20,913,056	16,380,441
II. Profit/(Loss) on the sale of investments (net)	344,205	2,594,601
III. Profit/(Loss) on the revaluation of investments (net)	(34,831)	307,297
IV. Profit/(Loss) on sale of land, building and other assets	69,550	(125,884)
V. Profit on exchange transactions (net)	7,446,193	6,008,156
VI. Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous income	10,528,325	7,460,082
<b>TOTAL</b>	<b>39,266,498</b>	<b>32,624,693</b>

(₹ in thousands)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 15 - INTEREST EXPENDED</b>		
I. Interest on deposits	101,087,174	84,574,353
II. Interest on Reserve Bank of India/inter-bank borrowings/Tier I and Tier II debt instruments	45,905,501	40,705,478
III. Others	805,912	(23,254)
<b>TOTAL</b>	<b>147,798,587</b>	<b>125,256,577</b>

(₹ in thousands)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 16 - OPERATING EXPENSES</b>		
I. Payments to and provisions for employees	33,627,003	28,556,914
II. Rent, taxes and lighting	4,351,407	3,948,022
III. Printing and stationery	457,752	310,977
IV. Advertisement and publicity	65,704	243,645
V. Depreciation on Bank's property	4,290,578	3,983,619
VI. Directors' fees, allowances and expenses	47,627	44,410
VII. Auditors' fees and expenses	42,996	34,501
VIII. Law charges	532,529	401,314
IX. Postage, telegrams, telephones, etc.	608,240	447,379
X. Repairs and maintenance	533,237	364,063
XI. Insurance	2,814,029	2,009,943
XII. Other expenditure (Refer Sch 17.5.77)	39,243,473	28,099,153
<b>TOTAL</b>	<b>86,614,575</b>	<b>68,443,940</b>

# Standalone Financial Statements

For the year ended March 31, 2023

## 17. Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2023

### 17.1 Background

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.

### 17.2 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 and clarifications 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 Companies (Accounting Standards) Rules, 2021 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.

### 17.3 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. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

While India is emerging from COVID-19 pandemic, the extent to which any new wave of COVID-19 will impact the Bank's results will depend on ongoing as well as future developments, inter-alia including, the impacts of actions of governments and other authorities to contain its spread or mitigate its impact.

## Significant accounting policies

### 17.4.1 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. Interest on non-performing assets is recognized as per the prudential norms of the RBI. Penal Interest for covenant breach is recognized upon certainty of its realization. Late payment penalty on retail loans is recognized on cash basis.
- Dividend income is recognized when the right to receive payment is established.
- Commission on Guarantees and Letters of Credit ('LC') issued by the Bank is recognized as income over the period of the Guarantee and LC respectively.
- 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 (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.
- Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines"

## 17.4.2 Investments

Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DOR. MRG.42/21.04.141/2021-22 dated August 25, 2021.

### 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) debentures and bonds (e) subsidiaries and/or 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 and investment in equity shares of subsidiaries are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

#### c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price/book value and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost.

On transfer from HTM to AFS/HFT category, securities are immediately revalued and resultant depreciation, if any, is provided.

Transfer of investments from AFS to HFT or vice- a- versa (in exceptional circumstances and with the approval of the Board of Directors/ Asset Liability Committee (ALCO) /Investment Committee) 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 periodical basis as per relevant RBI guidelines. Net depreciation, if any, in the category under the classification mentioned in Schedule

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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 premium on investments in the HTM category is deducted from interest income in accordance with RBI Circular DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021. 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. Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve.

Equity investments in subsidiaries/joint ventures are classified under 'Held to Maturity'. The Bank assesses these investments for any permanent diminution in value and appropriate 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 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 recognized 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 which is categorized under HFT category 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.

Investments in unquoted Alternative Investment Funds (AIF)/Venture Capital Funds (VCF) are categorised, at the discretion of the Bank, under HTM category for an initial period of three years and valued at cost during this period. Such investments are transferred to the AFS category after the said period of three years. Investments in AFS category are valued at NAV shown by the AIF/VCF as per the financial statements. The VCF/AIFs 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/AIF.

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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.

For stressed loans transferred to Asset Reconstruction Company (ARC) where the consideration in the form of security receipts is lower than the net book value (NBV) at the time of transfer, the shortfall is debited to the Profit and Loss Account and spread equally over the financial year. The realized profit, where the cash recovery exceeds the NBV of the stressed loans, the same is credited to Profit and Loss Account. For stressed loans where the consideration received was higher than the NBV at the time of transfer but the cash recovery is lower than the NBV, such excess amount is not reversed in the Profit and Loss Account and the Bank continues to carry forward the same as provision against the security receipts. In effect, the value of security receipts is reflected in a manner that the value of security receipts is not higher than the NBV of the loans transferred to ARC. The provisioning requirements is as per the extant RBI guidelines applied on each reporting date, taking into account the principle that there should be no provisioning arbitrage between the provisioning on security receipts vis-à-vis the provisioning requirements on the underlying stressed loans, had it stayed in the books.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Investment in listed instruments of Real Estate Investment Trust (REIT)/Infrastructure Investment Trust (INVT) is valued at closing price on a recognized stock exchange with the higher volumes. In case the instruments were not traded on any stock exchange within 15 days prior to date of valuation, valuation is done based on the latest NAV (not older than 1 year) submitted by the valuer.

Sovereign foreign currency bonds are valued using Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non-Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price, Bloomberg Generic price (BGN), Last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by Government of India ('GOI') is valued based on FBIL valuation.

Equity shares in the Bank's demat account, acquired through exercise of pledge, is not accounted as investments. Upon sale of the pledged shares, the proceeds are utilized to offset the borrower's liability.

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 in cash.

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## 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/targeted long-term repo operations (TLTRO)

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 Circular DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021. 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.

In compliance with RBI circular RBI/2022-23/55 DOR.ACC.REC.No.37/21.04.018/2022-23 dated May 19, 2022, reverse repos with banks and other institutions having original tenors more than 14 days classified under Schedule 9 – Advances

## g) Investment fluctuation reserve (IFR)

With a view to building up of adequate reserves to protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, advised all banks to create an IFR with effect from the FY 2018-19.

Transfer to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations; until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

## 17.4.3 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, direct assignment and bills rediscounted.

Assets transferred through direct assignment of cash flows are de-recognised in the Balance Sheet when they are sold (true sale criteria being fully met with) and consideration is received by the Bank.

### 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 advances 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. In relation to non-performing derivative contracts, as per the extant RBI guidelines, the Bank makes provision for the entire amount of overdue and future receivables relating to positive marked to market value of the said derivative contracts.

The Bank considers an account as restructured, where for economic or legal reasons relating to the borrower's financial difficulty, the Bank grants concessions to the borrower, that the Bank would not otherwise consider. The moratorium granted to the borrowers based on RBI guidelines is not accounted as restructuring of loan. The RBI guidelines on 'Resolution Framework for COVID-19-related Stress' provide a prudential framework for resolution plan of certain loans. The borrowers where resolution plan was implemented under these guidelines are classified as standard restructured.



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In respect of loans reported as fraud to RBI the entire amount is provided for over a period not exceeding four quarters starting from the quarter in which fraud has been detected. In respect of non-retail loans where there has been delay in reporting the fraud to the RBI or which are classified as loss accounts, the entire amount is provided immediately.

The Bank makes additional provisions as per RBI guidelines for the cases where viable resolution plan has not been implemented within timelines prescribed by RBI, from the date of default. These additional provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. The general provision also includes provision for stressed sector exposures and provision for incremental exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower. Further, provision requirement under various Restructure scheme of RBI also forms part of general provision. 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.

As per requirement of RBI guideline, any interest accrued and due if converted into a loan (i.e. Funded Interest Term Loan) then such income will be reversed and will be recognised on cash basis.

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 Provisions and Contingencies.

In case of loans sold to asset reconstruction company, if consideration is more than net book value, the Bank records the security receipts as investment at Net Book Value as per RBI guidelines.

The Bank has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately High 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%.

#### 17.4.4 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 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 risk-free rates ('RFRs')/SWAP curves of the respective currencies with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market ('MTM')) on a gross basis.

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Financial conduct authority ('FCA') of the United Kingdom has phased out London interbank offered rate ('LIBOR') on December 2021, replacing it by Alternate Reference rate ('ARR'). Libor was used by the Bank as benchmark for funded as well as Non-funded exposure. Accordingly, MIFOR (derived with LIBOR and forward premium in forex markets) has also been replaced by Modified MIFOR.

RBI vide the press release CO.FMRD.DIRD.S39/14.02.001/2021-22 on July 08, 2021 has encouraged the Banks to cease entering into new financial contracts that has reference LIBOR/MIFOR as a benchmark and instead use widely accepted ARR. Bank has started offering new transaction based on ARR curve w.e.f January 1, 2022 except existing underlying transactions linked to LIBOR/MIFOR as permissible by the regulations.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit / loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until the disposal of the net investment in the non-integral foreign operations.

In accordance with the RBI clarification, the Bank does not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations.

Currency future contracts are marked to market daily using settlement price on a trading day, which is the closing price of the respective future contracts on that day. While the daily settlement prices is computed on the basis of weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the future contract or as may be specified by the relevant authority from time to time. All open positions are marked to market based on the settlement price and the resultant marked to market profit / loss is daily settled.

## 17.4.5 Earnings per share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share". Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti-dilutive.

## 17.4.6 Accounting for derivative transactions

Derivative transactions comprises foreign exchange contracts, forward rate agreements, swaps and option contracts. The Bank undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

Cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings are designated as cash flow hedges (effective 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.

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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'.

Valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

The requirement for collateral and credit risk mitigation on derivative contracts is assessed based on internal credit policy. Overdue 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.

The Bilateral Netting of Qualified Financial Contracts Act, 2020 (the Act), has been notified by the Government of India and subsequent to this the RBI through circular dated March 30, 2021 allowed netting of the Qualified Financial Contracts (QFC). In respect of derivative contracts, the Bank has computed the exposure under the Current Exposure Method for counterparty credit risk capital computation based on the guidelines issued by RBI on "Bilateral Netting of Qualified Financial Contracts - Amendments to Prudential Guidelines" dated March 30, 2021 and subsequent amendments dated March 31, 2022 and August 11, 2022 for eligible counterparties.

## 17.4.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price including import duties and non -refundable purchase taxes, after deducting trade discounts and rebates 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.

## 17.4.8 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, at the rates mentioned below:

Class of asset	Useful life of Assets as per Companies Act, 2013	Useful life of Assets as per the Bank's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware <sup>1</sup>	6 years	3 years
Computer software *	6 years	4 years
Vehicles <sup>1</sup>	8 years	5 years
Furniture and Fixtures	10 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

\*As per RBI Guidelines.

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<sup>1</sup> 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.

- Asset 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.

## 17.4.9 Impairment of assets

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

## 17.4.10 Employee benefits

### Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Bank to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. RBI, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised banks that the fair value of share-linked instruments on the date of grant should be recognized as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model is recognized as compensation expense over the vesting period.

Options granted till March 31, 2021, 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.

### Compensated absences

The employees of the Bank are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees cannot encash unavailed/unutilized leave. The Bank provides for leave encashment / compensated absences based on an independent actuarial valuation at the Balance Sheet date, which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation.

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## Gratuity

The Bank provides for gratuity, for all employees. The Gratuity is payable to an employee as per Payment of Gratuity Act. The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on independent 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

All employees of the Bank are covered under the Employees Provident Fund, a defined contribution plan in which both the employee and the Bank contribute monthly. 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.

### 17.4.11 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.

### 17.4.12 Income taxes

Tax expense comprises of 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 taxes reflect the impact of timing differences between taxable income and accounting income for the current year and reversal of timing differences of earlier years and carry forward losses. 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. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets in case of unabsorbed depreciation/ losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits. Deferred tax assets are recognized and reassessed at each balance sheet date based upon management's judgement and appropriately adjusted to reflect the amount that is reasonably certain to be realized.

### 17.4.13 Provisions and contingent assets/liabilities

In accordance with Accounting Standard-29, Provisions, Contingent Liabilities and Contingent Assets, the Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

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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.

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.

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.

## 17.4.14 Cash and Cash equivalents

Cash and cash equivalents include cash in hand, including foreign currency notes, balances with RBI, balances with other banks and money at call and short notice.

## 17.4.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

## 17.4.16 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.

## 17.4.17 Bullion

The Bank imports bullion (gold and silver bars) on a consignment basis for selling to its customers. The imports are typically based on a request of the client and are settled based on a back to back price fixing with supplier and client. The Bank earns a fee on such bullion transactions. The fee is classified in other income. The Bank also deals in gold borrowing and lending and the interest paid/received thereon is classified as interest expense / income respectively.

## 17.4.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

## 17.4.19 Segment information

The disclosure relating to segment information is in accordance with Accounting Standard-17, Segment Reporting and as per guidelines issued by RBI from time to time.

## 17.4.20 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 PSLCs. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLCs is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income' and the same is amortised on a straight line basis over the life of the certificate.

# Standalone Financial Statements

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## 17.5 Capital

### 17.5.1 Equity Issue

On December 13, 2022, the Bank issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis. During the year ended March 31, 2023, the Bank has issued 3,666,651 equity shares (Previous year: 47,000 equity shares) of face value of ₹ 2 each pursuant to the exercise of stock options by employees under the approved stock option schemes.

### Movement in Share Capital

Share Capital	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Opening Share Capital	50,109.90	50,109.81
Addition due to exercise of Stock Option	7.34	0.09
Addition due to shares issued on a preferential basis	7,392.31	-
Closing Share Capital	57,509.55	50,109.90

The Bank has accreted ₹ 43,488.79 million net of estimated share issue expenses ₹ 98.70 million during the year ended March 31, 2023 (Previous year: ₹ 0.54 million) towards share premium.

### 17.5.2 Share Warrants Subscription Money

On December 13, 2022, the Bank allotted a total of 2,559,761,818 share warrants convertible into equity shares of face value ₹ 2 each paid up to the extent of 25% of the issue price of ₹ 14.82 per share warrant on a preferential basis in an equal ratio to two marquee investors totaling to ₹ 9,483.92 million. Each Share Warrant is convertible to one fully paid equity share of the Bank, upon exercise of the option by paying the remaining 75% within 18 months of allotment.

### 17.5.3 Proposed Dividend

During FY 2022-23 and FY 2021-22 the Bank has not declared any dividend on equity shares.

### 17.5.4 Capital Reserve

Profit on sale of investments in the Held to Maturity (HTM) 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 ended March 31, 2023 ₹ 31.67 million (Previous year: ₹ 108.31 million) was transferred to Capital Reserve. The above mentioned amount also includes profit on sale of immovable property net of taxes and transfer to statutory reserve, are transferred to capital reserve account ₹ 31.49 million.

### 17.5.5 Investment Reserve

The Bank has transferred ₹ 16.79 million to Investment Reserve (Previous year: ₹ 34.30 million) (net of applicable taxes and transfer to statutory reserve requirements) on provisions for depreciation on investments credited to Profit and Loss Account.

### 17.5.6 Cash Flow Hedge Reserve

There was Nil utilization of Cash Flow Hedge Reserve during the financial year ended March 31, 2023 (Previous year: utilised ₹ 8.02 million).

### 17.5.7 Investment Fluctuation Reserve (IFR)

The Bank has transferred ₹ 2,358.76 million (net of applicable taxes and transfer to statutory reserve requirements) to Investment Fluctuation Reserve during the year ended March 31, 2023 (Previous year: ₹ 1,347.89 million).

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## 17.5.8 Employee Stock Option Plan (ESOP) Compensation Reserves

The Bank has transferred ₹ 216.26 million to ESOP Compensation Reserves during the year ended March 31, 2023 (Previous year: ₹ 82.42 million).

## 17.5.9 Transfer to Revenue and other Reserves

With respect to two accounts classified as fraud the Bank has transferred ₹ 1,279.58 million to Revenue and other Reserves on account of unamortised fraud provision in terms of RBI circular DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021 (Previous year: for three borrower accounts, unamortised fraud provision amounting to ₹ 4,752.16 reversed in the current year).

## 17.5.10 Capital Adequacy Ratio

Capital Adequacy Ratio as per RBI guidelines as at March 31, 2023 and March 31, 2022 are given below:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	324,969.38	268,806.67
ii)	Additional Tier 1 capital *	-	-
iii)	Tier 1 capital (i + ii)	324,969.38	268,806.67
iv)	Tier 2 capital	114,265.27	135,137.76
v)	Total capital (Tier 1+Tier 2)	439,234.65	403,944.44
vi)	Total Risk Weighted Assets (RWAs)	2,450,927.75	2,317,659.08
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	13.3%	11.6%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.3%	11.6%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	4.7%	5.8%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	17.9%	17.4%
xi)	Leverage Ratio	7.7%	7.0%
xii)	Percentage of the shareholding of Government of India	Nil	Nil
xiii)	Amount of paid-up equity capital raised during the year	7,399.65	0.09
xiv)	Amount of non-equity Tier 1 capital raised during the year	Nil	Nil
xv)	Amount of non-equity Tier 2 capital raised during the year	Nil	Nil

\* The Bank had issued Additional Tier-I capital of ₹ 2,800 million in Dec 2013, however the same has not been considered for regulatory capital for FY 2023 and FY 2022 basis guidance received from RBI.

## 17.5.11 Tier I and Tier II Capital

During the financial year ended March 31, 2023 and March 31, 2022, the Bank has not issued any Tier I or Tier II instruments.

## Write Down of AT1 Bonds

On March 5, 2020, Central Government in terms of Section 45 of the Banking Regulation Act, 1949 ("BR Act") imposed moratorium on the Bank. Reserve Bank of India ('RBI') in exercise of its powers conferred under Section 36ACA of the BR Act superseded the then Board of Directors and appointed an Administrator to manage the affairs of the Bank w.e.f. March 5, 2020. Subsequently on March 13, 2020, through the 'YES BANK Limited Reconstruction Scheme, 2020' ("the YES BANK Reconstruction Scheme"), the relevant authorities (i.e., Central Government in consultation with RBI) decided to "reconstitute" the Bank. Further, in terms of the YES BANK Reconstruction Scheme, the Administrator was to continue in office until the Board of Directors mentioned in the YES BANK Reconstruction Scheme assumed office, i.e., on March 26, 2020.



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In light of the above, the Administrator, on behalf of the Bank, consequent to the invocation of Section 45 of the BR Act, and to protect the interest of the Bank and its depositors, was constrained to write down (₹ 84,150 million) two tranches of the Additional Tier 1 Bonds ("AT-1 Bonds") issued in 2016 and 2017, in compliance with the contractual covenants and applicable RBI guidelines, on March 14, 2020.

Aggrieved by the said write down of AT-1 Bonds, AT-1 Bondholders filed various writ petition(s), civil suit(s), criminal and consumer complaint(s) across India challenging the decision of the Bank to write down the AT-1 Bonds since 2020. The same are pending adjudication, save and except the batch of writ petition(s) filed before the Hon'ble Bombay High Court and one writ petition before the Hon'ble Madras High Court (as mentioned below).

## Judgment dated September 30, 2020 of the Hon'ble Madras High Court ("MHC"):

The RBI Master Circular on Basel III Capital Regulations, insofar as it relates to issuance and write down of AT-1 Bonds, was challenged before the Division Bench of the Hon'ble MHC in the Writ Petition titled Piyush Bokaria Vs. Reserve Bank of India and Ors., (being W.P. (Civil) 12586 of 2020). The Hon'ble MHC vide its judgment dated September 30, 2020 upheld the validity of the RBI Master Circular in relation to the AT-1 Bonds. Additionally, with respect to the aspect of writing down of AT-1 Bonds, the Hon'ble MHC observed that one of the features of AT-1 Bonds is that they can be written-down before the equity shares bear losses and considering that the Petitioners purchased the AT-1 Bonds in the secondary market, they cannot claim to be ignorant of the terms and conditions thereof. The Hon'ble MHC also noted the loss absorbency feature of the AT-1 Bonds and dismissed the Writ Petition.

## Judgment dated January 20, 2023 of the Hon'ble Bombay High Court ("BHC"):

Multiple writ petition(s) were filed before the Hon'ble BHC challenging the write down of AT-1 Bonds and the stock exchange intimation dated March 14, 2020 made in relation to the write down. The Hon'ble BHC vide its judgment dated January 20, 2023 set aside the stock exchange intimation and decision of the Bank to write down the AT-1 Bonds ("Judgment"). At the request of the Bank, the Hon'ble BHC stayed the order for a period of 6 (six) weeks.

## Proceedings before the Hon'ble Supreme Court of India ("Supreme Court"):

Aggrieved by the Judgment of the Hon'ble BHC, the Bank and the RBI filed separate Special Leave Petition(s) ("SLPs") before the Hon'ble Supreme Court challenging the Judgement of the Hon'ble BHC. On March 3, 2023, the Hon'ble Supreme Court issued notice and extended the stay granted by the Hon'ble BHC, subject to the final orders of the Hon'ble Supreme Court. The SLPs are pending hearing.

Further, the Central Government has also filed a separate SLP before the Hon'ble Supreme Court challenging the Judgement of the Hon'ble BHC.

Given that the write down of the AT-1 Bonds was in accordance with the relevant regulations and as RBI and Central Government ("relevant authorities" in terms of the RBI Master Circular) have also filed SLPs challenging the Judgement of Hon'ble BHC, the Bank has estimated that there should not be any material financial impact of the matter under litigation. Upon final verdict of the Hon'ble Supreme Court, financial impact, if any, on the results and/or other financial information shall be accounted for in future reporting periods.

Separately, Securities and Exchange Board of India ("SEBI") issued a Show Cause Notice dated October 28, 2020 to the Bank and other noticee(s) (ex-employees of the Bank) alleging violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. Thereafter, SEBI vide its order dated April 12, 2021 imposed penalty of ₹ 250 million on the Bank under Section 15 HA of Securities and Exchange Board of India Act, 1992 for the alleged mis-selling of AT-1 Bonds in the secondary market. SEBI also imposed penalties on other noticee(s). Aggrieved by the above-mentioned SEBI order, the Bank and other noticee(s) preferred separate Appeal(s) before the Hon'ble Securities Appellate Tribunal, Mumbai ("SAT"). SAT heard the Appeal(s) and the effect and operation of the SEBI order dated April 12, 2021 has been stayed. The said Appeal(s) are pending final hearing.

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## 17.5.12 Provisions and Contingencies

The breakup of provisions of the Bank for the year ended March 31, 2023 and March 31, 2022 are given below:

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for taxation	2,455.10	3,696.36
Provision for non performing investments#	24,087.38	7,903.78
Provision for standard advances#	(1,496.20)	(251.53)
Provision made/write off for non performing advances#	(169.46)	7,185.19
Other Provisions*	(223.26)	(36.64)
<b>TOTAL</b>	<b>24,653.55</b>	<b>18,497.17</b>

\* Other Provisions includes provision made against other assets.

# Sale of stressed loans to JC Flowers Asset Reconstruction Private Limited

On July 13, 2022, the Bank had signed a binding term sheet with JCF ARC LLC and JC Flowers Asset Reconstruction Private Limited ("JC Flowers ARC") for a strategic partnership in relation to sale of identified stressed loans of the Bank aggregating to up to ₹ 480,000 million as at March 31, 2022. The Bank had used the bid of JC Flowers ARC as a base bid ("Base Bid") to conduct a transparent bidding process on Swiss Challenge basis under the aegis of the Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 ("the Master Direction") for inviting challenger bids for sale of identified stressed loan portfolio. Pursuant to the conclusion of the Swiss Challenge process, the Board of Directors of the Bank, at their meeting held on September 20, 2022, approved JC Flowers ARC as the winner of the Swiss Challenge process and proceeded towards negotiating definitive agreements.

On December 16, 2022, the Bank concluded the aforesaid assignment after adjusting recoveries between April 1, 2022 to November 30, 2022. The gross value of exposures transferred to JC Flowers ARC was ₹ 437,157.89 million which included exposures worth ₹ 151,980.93 million earlier written-off by the Bank. The net book value ("NBV") of these exposures in the Bank's books as on the date of assignment was ₹ 49,817.57 million and the final consideration received was ₹ 80,458.68 million under 15:85 cash and security receipts structure.

For stressed loans transferred to ARC for a consideration lower than the NBV at the time of transfer, the shortfall of ₹ 6,086.09 million to the Bank was debited to the Profit and Loss Account during the year ended March 31, 2023 spread equally over the quarter ended December 31, 2022 and the quarter ended March 31, 2023. The realized profit amounting to ₹ 5,113.81 million where the cash recovery was exceeding the net book value of stressed loans was credited to Profit and Loss Account in the quarter ended December 31, 2022. For stressed loans where the consideration received was higher than that net book value at the time of transfer and the cash recovery is lower than the net book value, such excess amount of ₹ 31,613.38 million was not reversed in the Profit and Loss Account. The Bank has continued to carry forward the same as provision against these security receipts. In effect the Bank has reflected such sale in a manner that the value of security receipts is not higher than the net book value of the loans transferred to JC Flowers ARC. The same is being assessed for the provisioning requirements as per the extant RBI guidelines on each reporting date also taking into account the principle that there should be no provisioning arbitrage between the provisioning on Security Receipts vis-à-vis the provisioning requirements on the underlying exposure, had it stayed in the books.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.13 Investments

### i) Composition of Investment Portfolio

Composition of Investment Portfolio as at March 31, 2023 is given below:

(₹ in million)

	Investments in India					Investments outside India			Total	
	Government Securities approved securities	Other Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Investments outside India	Total Investments
<b>Held to Maturity</b>										
Gross	535,484.49	-	19,370.01	1,490.00	252.75	556,597.25	-	-	-	556,597.25
Less: Provision for nonperforming investments (NPI)*	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>535,484.49</b>	<b>-</b>	<b>19,370.01</b>	<b>1,490.00</b>	<b>252.75</b>	<b>556,597.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>556,597.25</b>
<b>Available for Sale</b>										
Gross	83,139.55	-	19,518.07	-	82,739.70	186,317.81	12,202.61	2,649.50	14,852.10	201,169.91
Less: Provision for depreciation and NPI	(598.74)	-	(741.83)	-	(44,489.81)	(46,286.03)	-	(356.02)	(356.02)	(46,642.05)
<b>Net</b>	<b>82,540.81</b>	<b>-</b>	<b>18,776.24</b>	<b>-</b>	<b>38,249.89</b>	<b>140,031.77</b>	<b>12,202.61</b>	<b>2,293.48</b>	<b>14,496.09</b>	<b>154,527.86</b>
<b>Held for Trading</b>										
Gross	33,556.71	-	11,743.07	-	12,419.80	57,757.87	-	-	-	57,757.87
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>33,556.71</b>	<b>-</b>	<b>11,743.07</b>	<b>-</b>	<b>12,419.80</b>	<b>57,757.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,757.87</b>
<b>Total Investments</b>	<b>652,180.75</b>	<b>-</b>	<b>50,631.14</b>	<b>1,490.00</b>	<b>95,412.25</b>	<b>800,672.92</b>	<b>12,202.61</b>	<b>2,649.50</b>	<b>14,852.10</b>	<b>815,525.03</b>
Less: Provision for nonperforming investments	-	(381.23)	-	-	-	(381.23)	-	(379.20)	(379.20)	(760.43)
Less: Provision for depreciation and NPI	(598.74)	(74.42)	(741.83)	-	(44,489.81)	(45,904.80)	-	23.18	23.18	(45,881.62)
<b>Net</b>	<b>651,582.01</b>	<b>-</b>	<b>49,889.31</b>	<b>1,490.00</b>	<b>50,922.44</b>	<b>754,386.89</b>	<b>12,202.61</b>	<b>2,293.48</b>	<b>14,496.09</b>	<b>768,882.97</b>

\* Amount includes provision due to permanent diminution in value of Investments.

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Composition of Investment Portfolio as at March 31, 2022 is given below:

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
<b>Held to Maturity</b>												
Gross	418,228.07	-	-	19,370.10	1,490.00	-	439,088.17	-	-	-	-	439,088.17
Less: Provision for nonperforming investments (NPI) *	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>418,228.07</b>	-	-	<b>19,370.10</b>	<b>1,490.00</b>	-	<b>439,088.17</b>	-	-	-	-	<b>439,088.17</b>
<b>Available for Sale</b>												
Gross	16,537.31	-	1,210.70	74,561.26	-	36,412.20	128,721.48	3,030.42	1,673.68	4,704.10	133,425.58	
Less: Provision for depreciation and NPI	(325.94)	-	(996.38)	(41,410.33)	-	(23,226.53)	(65,959.18)	-	-	-	(65,959.18)	
<b>Net</b>	<b>16,211.37</b>	-	<b>214.32</b>	<b>33,150.93</b>	-	<b>13,185.68</b>	<b>62,762.30</b>	<b>3,030.42</b>	<b>1,673.68</b>	<b>4,704.10</b>	<b>67,466.39</b>	
<b>Held for Trading</b>												
Gross	2,645.11	-	-	1,400.42	-	8,355.87	12,401.41	-	-	-	-	12,401.41
Less: Provision for depreciation and NPI	-	-	-	(0.42)	-	-	(0.42)	-	-	-	-	(0.42)
<b>Net</b>	<b>2,645.11</b>	-	-	<b>1,400.00</b>	-	<b>8,355.87</b>	<b>12,400.99</b>	-	-	-	-	<b>12,400.99</b>
<b>Total Investments</b>	<b>437,410.50</b>	-	<b>1,210.70</b>	<b>95,331.78</b>	<b>1,490.00</b>	<b>44,768.08</b>	<b>580,211.07</b>	<b>3,030.42</b>	<b>1,673.68</b>	<b>4,704.10</b>	-	<b>584,915.16</b>
Less: Provision for nonperforming investments	-	-	(869.73)	(40,365.20)	-	(8,972.77)	(50,207.70)	-	-	-	-	(50,207.70)
Less: Provision for depreciation and NPI	(325.94)	-	(126.65)	(1,045.55)	-	(14,253.76)	(15,751.90)	-	-	-	-	(15,751.90)
<b>Net</b>	<b>437,084.56</b>	-	<b>214.32</b>	<b>53,921.03</b>	<b>1,490.00</b>	<b>21,541.55</b>	<b>514,251.46</b>	<b>3,030.42</b>	<b>1,673.68</b>	<b>4,704.10</b>	-	<b>518,955.56</b>

\* Amount includes provision due to permanent diminution in value of Investments.

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## II) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	65,959.61	69,822.27
b) Add: Provisions made during the year	30,589.93	9,459.71
c) Less: Write off / write back of excess provisions during the year	49,907.49	13,322.38
d) Closing balance	46,642.05	65,959.61
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	1,886.95	539.07
b) Add: Amount transferred during the year	2,358.76	1,347.89
c) Less: Drawdown	-	-
d) Closing balance	4,245.72	1,886.95
iii) Closing balance in IFR as a percentage of closing balance of net investments in AFS and HFT/Current category	2.00%	2.36%

## III) Sales and transfers of securities to/from Held to Maturity (HTM) category

During the year ended March 31, 2023 and March 31, 2022, the Bank has not sold and transferred securities from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. Hence, in line with RBI guidelines, specific disclosures on book value, market value, and provisions if any, relating to such sale and transfers are not made.

The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, sale of securities under pre-announced Open Market Operation (OMO)/switch operations auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

## IV) Repo Transactions (in face value terms)

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2023:

(₹ in million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2023
<b>i) Securities sold under repos</b>				
a) Government Securities	65,022.52	166,901.96	89,437.86	109,462.52
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
<b>ii) Security purchased under reverse repo</b>				
a) Government Securities	4,250.00	351,423.05	129,355.97	56,007.40
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

# Standalone Financial Statements

For the year ended March 31, 2023

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2022:

(₹ in million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2022
i) Securities sold under repos				
a) Government Securities	52,289.68	166,952.19	88,450.41	123,681.96
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Security purchased under reverse repo				
a) Government Securities	79,280.32	351,423.05	180,435.25	351,423.05
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

The above tables represents the face value of securities sold and purchased under repos, triparty repos (TREPS), reverse repos with interbank counterparties. It also includes securities sold and purchased under Liquidity Adjusted Facility (LAF) with RBI.

## 17.5.14 Non-SLR Investment Portfolio

### i. Issuer composition of Non SLR investments

Issuer composition of Non SLR investments as at March 31, 2023 is given below:

(₹ in million)

Sr No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities#	Extent of 'unlisted' securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i)	PSUs	1,500.00	1,500.00	-	-	-
ii)	Financial Institutions	44,830.54	43,522.93	-	-	14.41
iii)	Banks	-	-	-	-	-
iv)	Private Corporates	20,817.99	15,403.63	50.00	244.64	1,310.05
v)	Subsidiaries/ Joint ventures	1,490.00	1,490.00	-	-	1,490.00
vi)	Others	94,705.75	82,471.74	-	57,220.83	82,471.74
vii)	Provision held towards depreciation**	(46,043.31)				
<b>Total</b>		<b>117,300.96</b>	<b>144,388.29</b>	<b>50.00</b>	<b>57,465.47</b>	<b>85,286.20</b>

\* Of the investments disclosed ₹ 84,614.65 million are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

# Excludes investment in equity shares & units, non-Indian government securities by IBU and non-SLR government of India securities

\*\* Includes a provision of ₹ 760.43 million held for non performing investments

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

# Standalone Financial Statements

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Issuer composition of Non SLR investments as at March 31, 2022 is given below:

		(₹ in million)				
Sr No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities#	Extent of 'unlisted' securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i)	PSUs	-	-	-	-	-
ii)	Financial Institutions	84,067.03	84,067.03	42,321.77	-	9,734.08
iii)	Banks	-	-	-	-	-
iv)	Private Corporates	29,578.51	28,994.96	9,033.41	1,955.20	8,133.37
v)	Subsidiaries/ Joint ventures	1,490.00	1,490.00	-	-	1,490.00
vi)	Others	32,369.12	29,106.87	-	-	29,106.87
vii)	Provision held towards depreciation**	(65,633.66)				
<b>Total</b>		<b>81,871.00</b>	<b>143,658.85</b>	<b>51,355.18</b>	<b>1,955.20</b>	<b>48,464.32</b>

\* Of the investments disclosed ₹ 44,914.32 million are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

# Excludes investment in equity shares & units, non-Indian government securities by IBU and non-SLR government of India securities

\*\* Includes a provision of ₹ 50,207.70 million held for non performing investments

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

## ii. Non-Performing Non SLR Investments

		(₹ in million)	
Particulars	March 31, 2023	March 31, 2022	
Opening Balance	52,675.20	65,859.67	
Additions during the year	1,583.49	563.82	
Reductions during the year	52,542.19	13,748.29	
Closing Balance	1,716.50	52,675.20	
Total Provision Held	760.43	50,207.70	

### 17.5.15 Derivatives

#### Forward Rate Agreement/ Interest Rate Swap

The details of Forward Rate Agreements / Interest Rate Swaps outstanding as at March 31, 2023 and March 31, 2022 are given below:

		(₹ in million)	
Sr. No	Items	As at March 31, 2023	As at March 31, 2022
i)	The notional principal of swap agreements	2,601,271.97	2,294,845.13
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements <sup>1</sup>	5,535.51	2,958.74
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps [Percentage Exposure to Banks] <sup>1</sup>	5.69%	6.73%
	[Percentage Exposure to PSUs] <sup>1</sup>	93.44%	84.05%
v)	The fair value of the swap book <sup>2</sup>	(210.70)	(198.27)
-	INBMK	(373.25)	(867.23)
-	MIBOR	111.35	214.74
-	MIFOR	(360.23)	(372.76)
-	FCY IRS	411.43	826.97

<sup>1</sup> Losses and Credit risk concentration are measured as net receivable under swap contracts

<sup>2</sup> Fair values represent mark-to-market including accrued interest.

# Standalone Financial Statements

For the year ended March 31, 2023

The nature and terms of the Rupee IRS as at March 31, 2023 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	6	9,000.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	2011	676,469.75	MIBOR	Fixed Payable V/S Floating Receivable
Trading	32	14,595.19	MIFOR	Fixed Payable V/S Floating Receivable
Trading	30	14,900.00	MOD MIFOR	Fixed Payable V/S Floating Receivable
Trading	2110	680,848.00	MIBOR	Fixed Receivable V/S Floating Payable
Trading	26	11,043.48	MIFOR	Fixed Receivable V/S Floating Payable
Trading	82	30,650.00	MOD MIFOR	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as at March 31, 2023 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	565	347,039.27	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	548	318,455.96	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	77	134,536.94	USD LIBOR	Floating Payable V/S Floating Receivable
Trading	150	144,343.48	USD SOFR	Fixed Receivable V/S Floating Payable
Trading	148	185,812.93	USD SOFR	Fixed Payable V/S Floating Receivable
Trading	16	4,335.04	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	43	3,606.02	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	1	89.44	EUR ESTR	Fixed Payable V/S Floating Receivable
Trading	27	13,319.86	GBP SONIA	Fixed Receivable V/S Floating Payable
Trading	24	12,191.05	GBP SONIA	Fixed Payable V/S Floating Receivable
Trading	1	35.58	AUD BBSW	Fixed Receivable V/S Floating Payable

The nature and terms of the Rupee IRS as at March 31, 2022 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	6	9,000.00	INBMK	Fixed Payable V/S Floating Receivable
Trading	1147	371,361.44	MIBOR	Fixed Payable V/S Floating Receivable
Trading	62	28,908.00	MIFOR	Fixed Payable V/S Floating Receivable
Trading	6	3,200.00	MOD MIFOR	Fixed Payable V/S Floating Receivable
Trading	1171	373,746.46	MIBOR	Fixed Receivable V/S Floating Payable
Trading	71	31,537.76	MIFOR	Fixed Receivable V/S Floating Payable
Trading	24	10,200.00	MOD MIFOR	Fixed Receivable V/S Floating Payable



# Standalone Financial Statements

For the year ended March 31, 2023

The nature and terms of the FCY IRS as at March 31, 2022 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	1	32,211.81	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	955	466,373.48	USD LIBOR	Fixed Payable V/S Floating Receivable
Trading	893	435,406.35	USD LIBOR	Fixed Receivable V/S Floating Payable
Trading	104	148,310.76	USD LIBOR	Floating Payable V/S Floating Receivable
Trading	396	171,572.75	USD SOFR	Fixed Receivable V/S Floating Payable
Trading	412	180,178.25	USD SOFR	Fixed Payable V/S Floating Receivable
Trading	20	2,993.41	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	47	3,364.45	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	2	421.10	EUR ESTR	Fixed Payable V/S Floating Receivable
Trading	1	522.14	GBP LIBOR	Fixed Payable V/S Floating Receivable
Trading	13	11,582.53	GBP SONIA	Fixed Receivable V/S Floating Payable
Trading	17	13,894.56	GBP SONIA	Fixed Payable V/S Floating Receivable
Trading	1	59.87	AUD LIBOR	Fixed Receivable V/S Floating Payable

## 17.5.16 Net Overnight Open Position (NOOP)

NOOP as at March 31, 2023 is ₹ 2,080.18 million (Previous year: ₹ 1,868.11 million).

## 17.5.17 Exchange Traded Interest Rate Derivatives

The following table sets forth, for the period indicated, the details of exchange traded interest rate derivatives:

(₹ in million)

Sr. No	Particulars	For the year ended	
		March 31, 2023	March 31, 2022
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year:		
	-6.10% Government Securities 2031	708.80	-
	-6.54% Government Securities 2032	171.54	-
	-5.85% Government Securities 2030	-	3,251.20
	-7.95% Government Securities 2032	-	750.00
	-7.57% Government Securities 2033	-	700.00
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"	-	-
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective"	-	-

## 17.5.18 Currency Futures

The Bank had dealt in exchange traded currency forwards (Futures) during the financial year ended March 31, 2023 and March 31, 2022. As at March 31, 2023, there were NIL open contracts on the exchange and at March 31, 2022 the open contracts on the exchange were ₹ 4.26 million.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.19 Disclosures on risk exposure in derivatives

As per RBI Master circular DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021, 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 Appropriateness Policy, Hedging Policy and ALM policy.
- b) Structure: The Board of Directors of the Bank have constituted a Board level sub-committee, the Risk Management 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 to the 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 including settlement of transactions. The Bank is subject to a concurrent audit for all treasury transactions, including derivatives transactions, a monthly report of which is periodically submitted to the Audit & Compliance Committee of the Bank.
- e) In addition to the above, the Bank independently evaluates the potential credit exposure on account of all derivative transactions, wherein risk limits are specified separately for each product, in terms of both credit exposure and tenor. As mandated by the Credit Policy of the Bank, the Bank has instituted an approval structure for all treasury/derivative related credit exposures. Wherever necessary, appropriate credit covenants are stipulated as trigger events to call for collaterals or terminate transaction and contain the risks.
- f) The Bilateral Netting of Qualified Financial Contracts has been notified by the RBI through circular dated March 30, 2021. The Bank has computed capital adequacy as well as exposure on account of these contracts as per Current Exposure method considering each transaction as separate netting set on conservative basis. The Bank shall work progressively over the period on classification of multiple permissible transactions into a netting set which may result in reduction in capital requirement and exposure due to these transactions. There is no change in Current Exposure Method (CEM) computation for Non-Bilateral Counterparties & Quasi Central Counter Party (QCCP) trades.
- g) 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.
- h) 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.

# Standalone Financial Statements

For the year ended March 31, 2023

The details of derivative transactions as at March 31, 2023 and March 31, 2022 are given below:

(₹ in million)

Sr. No	Particulars	Currency derivatives <sup>1</sup>		Interest rate derivatives <sup>4</sup>	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>i)</b>	<b>Derivatives (Notional Principal Amount)</b>				
a)	For hedging	-	-	-	32,211.81
b)	For trading	341,007.86	314,403.39	2,601,271.97	2,262,633.32
<b>ii)</b>	<b>Marked to market positions<sup>2</sup></b>				
a)	Asset (+)	12,757.37	10,186.55	30,114.81	24,561.93
b)	Liability (-)	15,859.23	11,585.66	25,803.02	25,169.63
<b>iii)</b>	<b>Credit exposure<sup>3</sup></b>	32,999.99	32,668.55	91,120.61	52,632.15
<b>iv)</b>	<b>Likely impact of one percentage change in interest rate (100*PV01) (Refer Note 1&amp;2 below)</b>				
a)	on hedging derivatives	-	-	-	165.22
b)	on trading derivatives	638.48	308.35	343.48	715.98
<b>v)</b>	<b>Maximum and minimum of 100*PV01 observed during the year (Refer Note 1&amp;2 below)</b>				
a)	on hedging				
	Maximum	-	17.48	213.30	576.53
	Minimum	-	-	5.42	-
b)	on trading				
	Maximum	653.59	560.79	1,012.16	1,276.41
	Minimum	193.85	279.34	229.58	268.61

<sup>1</sup> Currency derivatives includes options purchased and sold, cross currency interest rate swaps and currency futures.

<sup>2</sup> Trading portfolio including accrued interest.

<sup>3</sup> Mark to Market for credit exposure includes accrued interest.

<sup>4</sup> Interest rate derivatives include Interest Rate Swaps, forward rate agreements and exchange traded interest rate derivatives.

## Note:

- 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.
- 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.
- The notional principal amount of foreign exchange contracts classified as trading at March 31, 2023 amounted to ₹ 2,856,151.13 million (previous year: ₹ 3,414,165.71 million). For these trading contracts, as at March 31, 2023, marked to market position was asset of ₹ 16,621.96 million (Previous year: ₹ 14,614.09 million) and liability of ₹ 18,478.52 million (Previous year: ₹ 16,937.80 million). The notional principal amount of foreign exchange contracts classified as hedging at March 31, 2023 amounted to ₹ 15,412.88 million (Previous year: ₹ 7,765.38 million). Credit exposure on forward exchange contracts at March 31, 2023 was ₹ 78,753.71 million (Previous year: ₹ 142,555.85 million) of which exposure on CCIL is ₹ 56,878.04 million (Previous year: ₹ 1,18,448.02 million).

# Standalone Financial Statements

For the year ended March 31, 2023

## Asset Quality

### 17.5.20 Non-Performing Advances

#### Classification of advances and provisions held for the year ended March 31, 2023

(₹ in million)

	Standard		Non-Performing		Total	
	Total Standard Advances	Substandard	Doubtful	Loss	Total Non Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	1,728,474.59	28,382.81	187,522.96	63,853.99	279,759.76	2,008,234.36
Add: Additions during the year					47,751.11	
Less: Reductions during the year*					283,565.15	
<b>Closing balance</b>	<b>2,016,113.53</b>	<b>22,267.67</b>	<b>11,487.86</b>	<b>10,190.19</b>	<b>43,945.72</b>	<b>2,060,059.25</b>
<b>*Reductions in Gross NPAs due to:</b>						
i) Upgradation					8,195.28	
ii) Recoveries (excluding recoveries from upgraded accounts)					94,229.71	
iii) Technical/ Prudential Write-offs					-	
iv) Write-offs other than those under (iii) above					181,140.17	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	19,241.02	7,968.69	127,776.70	61,969.06	197,714.45	216,955.47
Add: Fresh provisions made during the year					51,182.39	
Less: Excess provision reversed/ Write-off loans					221,532.02	
<b>Closing balance of provisions held</b>	<b>17,744.82</b>	<b>10,081.94</b>	<b>7,092.69</b>	<b>10,190.19</b>	<b>27,364.82</b>	<b>45,109.63</b>
<b>Net NPAs</b>						
Opening Balance		20,414.12	59,746.27	1,884.93	82,045.32	
Add: Fresh additions during the year					(3,431.28)	
Less: Reductions during the year					62,033.13	
<b>Closing Balance</b>		<b>12,185.73</b>	<b>4,395.17</b>	<b>(0.00)</b>	<b>16,580.90</b>	<b>16,580.90</b>
<b>Floating Provisions</b>						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
<b>Closing balance of floating provisions</b>						-
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						163,024.18
Add: Technical/ Prudential write-offs during the year						-
Less: Recoveries made from previously technical/ prudential written-off accounts during the year*						147,188.54
<b>Closing balance</b>						<b>15,835.64</b>

\* Includes loans sold to ARC

# Standalone Financial Statements

For the year ended March 31, 2023

Classification of advances and provisions held for the year ended March 31, 2022

(₹ in million)

	Standard		Non-Performing			Total
	Total Standard Advances	Substandard	Doubtful	Loss	Total Non Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	1,570,796.35	108,271.56	155,952.66	21,871.06	286,095.29	1,856,891.64
Add: Additions during the year					57,953.92	
Less: Reductions during the year					64,289.44	
<b>Closing balance</b>	<b>1,728,474.59</b>	<b>28,382.81</b>	<b>187,522.96</b>	<b>63,853.99</b>	<b>279,759.76</b>	<b>2,008,234.36</b>
<b>Reductions in Gross NPAs due to:</b>						
i) Upgradation					35,904.78	
ii) Recoveries (excluding recoveries from upgraded accounts)					18,675.53	
iii) Technical/ Prudential Write-offs					-	
iv) Write-offs other than those under (iii) above					9,709.13	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	19,492.54	38,863.57	127,227.07	21,871.06	187,961.71	207,454.25
Add: Fresh provisions made during the year					46,247.29	
Less: Excess provision reversed/ Write-off loans					36,494.55	
<b>Closing balance of provisions held</b>	<b>19,241.02</b>	<b>7,968.69</b>	<b>127,776.70</b>	<b>61,969.06</b>	<b>197,714.45</b>	<b>216,955.47</b>
<b>Net NPAs</b>						
Opening Balance		69,407.99	28,725.59	(0.00)	98,133.58	
Add: Fresh additions during the year					11,706.63	
Less: Reductions during the year					27,794.90	
<b>Closing Balance</b>		<b>20,414.12</b>	<b>59,746.27</b>	<b>1,884.93#</b>	<b>82,045.32</b>	<b>82,045.32</b>
<b>Floating Provisions</b>						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
<b>Closing balance of floating provisions</b>						-
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						172,084.30
Add: Technical/ Prudential write-offs during the year						-
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						9,060.12
<b>Closing balance</b>						<b>163,024.18</b>

# The amount pertains to unamortised fraud cases.

# Standalone Financial Statements

For the year ended March 31, 2023

Ratios (in percentage terms)	As at March 31, 2023	As at March 31, 2022
Gross NPA to Gross Advances <sup>5</sup>	2.17%	13.93%
Net NPA to Net Advances <sup>5</sup>	0.83%	4.53%
Provision coverage ratio	62.27%	70.67%

<sup>5</sup>Excludes ₹ 30,689 million (March 31, 2022 NIL) of Interbank Reverse Repo having original tenors more than 14 days are classified as Advances as per RBI Master circular No DOR.ACC.REC.NO.37/21.04.018/2022-23.

## 17.5.21 Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Based on the condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for FY2022 and FY2021.

## 17.5.22 Disclosure as per requirement of Prudential Framework for Resolution of Stressed Assets

Details of Resolution Plan (RP) implemented during the year under Prudential Framework for Resolution of Stressed Assets dated June 07, 2019:

### FY2023

Sr. No.	Description of Resolution Plan (RP)	No of cases	Aggregate Loan Outstanding (₹ in million)
1	Payment of overdues by the borrower (deemed implementation of RP as per RBI circular)	1	465.17
2	Restructuring / change in ownership outside IBC	1	88.64
3	Resolution pursued under IBC	-	-
4	Assignment of debt / recovery proceedings	-	-

### FY2022\*

Sr. No.	Description of Resolution Plan (RP)	No of cases	Aggregate Loan Outstanding (₹ in million)
1	Payment of overdues by the borrower (deemed implementation of RP as per RBI circular)	-	-
2	Restructuring / change in ownership outside IBC	-	-
3	Resolution pursued under IBC	-	-
4	Assignment of debt / recovery proceedings	-	-

\* Revised to the extent cases in which review period was not expired.

# Standalone Financial Statements

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## 17.5.23 Sector-wise Advances and Gross NPAs

The details of Sector-wise Outstanding total advances and Gross NPAs as at March 31, 2023 and March 31, 2022 are given below:

(₹ in million)

Sector	As at March 31, 2023			As at March 31, 2022		
	Outstanding total advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding total advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>I) Priority Sector</b>						
a) Agriculture and Allied activities	113,194.14	1,164.82	1.03%	76,907.66	9,144.49	11.89%
b) Advances to industries sector eligible as priority sector lending	264,702.83	2,519.69	0.95%	218,985.68	3,039.03	1.39%
Gems and Jewellery	26,833.78	127.65	0.48%	22,096.76	254.09	1.15%
Textile	28,835.11	615.40	2.13%	24,720.46	227.04	0.92%
Basic Metal and Metal Products	30,379.11	145.23	0.48%	22,294.54	139.84	0.63%
c) Services	335,870.42	5,339.12	1.59%	285,809.97	6,598.36	2.31%
d) Personal Loans	-	-	-	-	-	-
e) Others	49,193.91	838.92	1.71%	64,911.99	1,936.30	2.98%
<b>Sub-Total (I)</b>	<b>762,961.30</b>	<b>9,862.55</b>	<b>1.29%</b>	<b>646,615.30</b>	<b>20,718.18</b>	<b>3.20%</b>
<b>II) Non Priority Sector</b>						
a) Agriculture and Allied activities	8,718.58	1.80	0.02%	8,287.82	935.99	11.29%
b) Industry	440,493.42	16,947.12	3.85%	616,584.40	136,231.43	22.09%
Basic Metal and Metal Products	57,074.28	19.51	0.03%	46,838.66	893.54	1.91%
Infrastructure	131,620.37	10,183.46	7.74%	204,336.44	33,582.66	16.43%
c) Services	226,478.75	10,531.09	4.65%	358,451.30	116,515.97	32.51%
Commercial Real Estate	64,447.53	3,061.70	4.75%	121,242.94	66,725.30	55.03%
Tourism, Hotel and Restaurants	46,225.88	737.73	1.60%	69,886.33	13,193.59	18.88%
d) Personal Loans	146,561.33	1,656.23	1.13%	101,168.95	670.22	0.66%
e) Others <sup>§</sup>	444,156.59	4,946.93	1.11%	277,126.59	4,687.97	1.69%
<b>Sub-Total (II)</b>	<b>1,266,408.68</b>	<b>34,083.17</b>	<b>2.69%</b>	<b>1,361,619.06</b>	<b>259,041.58</b>	<b>19.02%</b>
<b>Total (I+II)</b>	<b>2,029,369.97</b>	<b>43,945.72</b>	<b>2.17%</b>	<b>2,008,234.36</b>	<b>279,759.76</b>	<b>13.93%</b>

§Excludes ₹ 30,689 million (Previous year: NIL) of Interbank Reverse Repo having original tenors more than 14 days are classified as Advances as per RBI Master circular No DOR.ACC.REC.NO.37/21.04.018/2022-23, considering this the outstanding total advances is ₹ 2,060,059.25 million.

# Standalone Financial Statements

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## 17.5.24 Unsecured advances

The details of net Unsecured Advances as at March 31, 2023 and March 31, 2022 are given below:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total unsecured advances of the bank	436,540.47	424,354.52
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	1,427.22	6,605.72
Estimated value of such intangible securities	1,427.22	6,605.72

## 17.5.25 Resolution Framework for COVID-19-related Stress

Details of resolution plans implemented under the Resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) at March 31, 2023 are given below:

(₹ in million)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	(B) Of (A), aggregate debt that slipped into NPA during half-year	(C) Of (A), amount written off during the half-year	(D) Of (A), amount paid by the borrowers during the half-year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	821.50	66.40	44.40	140.30	570.40
Corporate Person's*	39,571.38	2,323.60	22.90	7,178.40	29,800.61
Of which, SME's	3,059.37	1,185.41	22.90	609.08	1,233.32
Others	4,778.08	444.96	135.15	734.39	3,618.32
<b>Total</b>	<b>45,170.96</b>	<b>2,834.96</b>	<b>202.45</b>	<b>8,053.09</b>	<b>33,989.33</b>

\* Includes Non-Fund Based Exposure amounting to ₹ 9,484.67 million as at the end of this half-year.

## 17.5.26 Restructuring of Advances - Micro Small and Medium Enterprises.

During the year ended March 31, 2023, the Bank has restructured advances amounting to ₹ 8,079.81 million (previous year ₹ 11,455.24 million) to Micro Small and Medium Enterprises.

Particulars	As at March 31, 2023	As at March 31, 2022
No. of accounts restructured	3,657	4,950
Amount (₹ in million)	8,079.81	11,455.24



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## 17.5.27 Non-performing financial assets purchased / sold from/to other banks/ Financial Institutions / NBFCs (excluding ARCs)

The Bank has not purchased/sold from/to other banks/Financial Institutions/NBFCs (excluding ARCs) during the year ended March 31, 2023 and March 31, 2022.

## 17.5.28 Transfer of Loan Exposure

Details of loans transferred / acquired during the year ended March 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 (as updated from time to time):

(i) Details of stressed loans transferred are given below:

Particulars	To Asset Reconstruction Companies (ARCs) <sup>5</sup>	To permitted transferees
No of accounts	13,550	Nil
Aggregate principal outstanding of loans transferred <sup>1</sup> (₹ in Million)	446,353	Nil
Weighted average residual tenor of the loans transferred <sup>2</sup> (in years)	2.2	Nil
Net book value of loans transferred (at the time of transfer) (₹ in Million)	54,355	Nil
Aggregate consideration (₹ in Million)	86,746	Nil
Additional consideration realized in respect of accounts transferred in earlier years (₹ in Million)	-	Nil

1. Includes written off loans and one standard account having principal outstanding of ₹ 50 millions.

2. Excludes written off loans and non-performing investments.

3. The recovery ratings of the security receipts would be obtained within 6 months as per relevant RBI guidelines.

4. On an aggregate basis excess provisions reversed during the period – Nil

5. On December 16, 2022, the Bank concluded the aforesaid assignment after adjusting recoveries between April 1, 2022 to November 30, 2022. The gross value of exposures transferred to JC Flowers ARC was ₹ 437,157.89 million which included exposures worth ₹ 151,980.93 million earlier written-off by the Bank. The net book value (NBV) of these exposures in the Bank's books as on the date of assignment was ₹ 49,817.57 million and the final consideration received was ₹ 80,458.68 million under 15:85 cash and security receipts structure.

For stressed loans transferred to ARC for a consideration lower than the NBV at the time of transfer, the shortfall of ₹ 6,086.09 million to the Bank was debited to the Profit and Loss Account during the year ended March 31, 2023 spread equally over the quarter ended December 31, 2022 and the quarter ended March 31, 2023. The realized profit amounting to ₹ 5,113.81 million where the cash recovery was exceeding the net book value of stressed loans was credited to Profit and Loss Account in the quarter ended December 31, 2022. For stressed loans where the consideration received was higher than that net book value at the time of transfer and the cash recovery is lower than the net book value, such excess amount of ₹ 31,613.38 million was not reversed in the Profit and Loss Account. The Bank has continued to carry forward the same as provision against these security receipts. In effect the Bank has reflected such sale in a manner that the value of security receipts is not higher than the net book value of the loans transferred to JC Flowers ARC. The same is being assessed for the provisioning requirements as per the extant RBI guidelines on each reporting date also taking into account the principle that there should be no provisioning arbitrage between the provisioning on Security Receipts vis-à-vis the provisioning requirements on the underlying exposure, had it stayed in the books.

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- (ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default, except reported in (i) above.
- (iii) Details of loans not in default acquired loans transferred/acquired through assignment/novation and loan participation are given below:

Particulars	Loans acquired	Loans sold
Aggregate amount of loans acquired (₹ in Million)	21,261	4,523
Weighted average residual maturity (in years)	12.7	9.5
Weighted average holding period by originator (in years)	0.90	4.74
Retention of beneficial economic interest by the originator	15.9%	46.7%
Tangible security coverage	100.2%	132.0%

The following table sets forth, rating-wise distribution of the loans sold/acquired under assignment:

Rating	Loans acquired	Loans sold
CARE A- / A	163	-
CRISIL AA-	227	-
IND A	359	-
CARE BBB	-	4,523

Excluding retail and other unrated loans.

- (iv) The Bank has not acquired any stressed loan.

## 17.5.29 Provisions for Standard Assets

Provision on standard advances for the year FY 2022-23 was ₹ 17,744.82 million. Provision on standard advances for the year FY 2021-22 was ₹ 19,241.02 million.

## 17.5.30 Business ratios

Particulars	As at March 31, 2023	As at March 31, 2022
i) Interest income as a percentage to working funds <sup>1</sup>	6.8%	6.8%
ii) Non-interest income as a percentage to working funds <sup>1</sup>	1.2%	1.2%
iii) Cost of Deposits	5.2%	5.0%
iv) Net Interest Margin	2.6%	2.3%
v) Operating profit as a percentage to working funds <sup>1</sup>	1.0%	1.0%
vi) Return on assets <sup>1</sup>	0.2%	0.4%
vii) Business (deposits + net advances) per employee <sup>2,3</sup> (₹ in million)	156.70	155.84
viii) Profit per employee <sup>2</sup> (₹ in million)	0.28	0.46

<sup>1</sup> 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.

<sup>2</sup> For the purpose of computation of business per employee and profit per employee (deposits plus advances), interbank deposits have been excluded and average employees have been considered.

<sup>3</sup> Excludes ₹ 30,689 million (March 31, 2022 NIL) of Interbank Reverse Repo having original tenors more than 14 days are classified as Advances as per RBI Master circular No DOR.ACC.REC.NO.37/21.04.018/2022-23

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## 17.5.31 Asset Liability Management

The following table sets forth the maturity pattern of assets and liabilities of the Bank as at March 31, 2023.

(₹ in million)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 Day	3,139.90	220,556.92	10,153.19	-	18,577.59	286.10
2-7 days	37,525.57	24,719.91	83,170.28	53,799.55	14,177.45	10,165.16
8-14 Days	12,233.91	22,540.66	52,748.08	3,016.00	7,201.13	4,987.56
15-30 Days	38,641.31	32,489.51	100,680.26	17,282.66	21,929.03	16,780.30
1-2 Months	42,415.55	20,268.42	120,460.79	4,204.37	26,025.06	3,183.18
2-3 Months	46,524.36	16,874.24	98,917.43	29,619.07	16,515.53	2,878.45
3-6 Months	64,533.90	26,991.38	167,659.63	94,559.82	16,160.71	24,446.91
6-12 Months	93,624.15	111,230.01	366,053.39	153,218.41	10,131.70	54,430.03
1-3 Years	902,704.18	104,746.85	452,338.66	239,164.91	28,205.05	53,830.81
3-5 Years	346,428.53	165,407.53	705,539.52	144,784.25	4,343.15	34,515.20
Over 5 Years	444,923.08	23,057.54	17,297.39	34,870.88	17,417.24	4,781.25
<b>TOTAL</b>	<b>2,032,694.44</b>	<b>768,882.97</b>	<b>2,175,018.62</b>	<b>774,519.92</b>	<b>180,683.64</b>	<b>210,284.95</b>

Auditors have relied upon the information presented by management as above on maturity buckets.

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.

The following table sets forth the maturity pattern of assets and liabilities of the Bank as at March 31, 2022.

(₹ in million)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 Day	2,430.87	59,396.64	8,368.36	-	26,861.55	252.51
2-7 days	6,787.63	8,074.21	109,436.97	55,767.42	2,453.09	773.28
8-14 Days	13,447.17	8,153.91	50,194.56	42.05	5,765.22	1,217.54
15-30 Days	25,978.29	31,129.22	96,238.21	4,178.04	9,751.72	2,281.46
1-2 Months	30,413.88	10,818.76	72,471.03	98.13	16,080.59	7,899.37
2-3 Months	28,849.42	16,058.29	103,392.11	11,030.26	23,037.16	5,634.92
3-6 Months	58,996.52	30,723.81	181,537.59	37,287.61	15,159.48	8,339.19
6-12 Months	102,340.79	59,364.40	325,454.73	181,713.05	17,495.81	90,769.51
1-3 Years	815,190.81	145,691.97	358,505.64	240,561.19	29,412.84	37,618.41
3-5 Years	341,628.27	91,601.53	650,382.94	73,831.62	7,261.12	15,940.56
Over 5 Years	384,456.26	57,942.81	15,935.18	117,536.47	19,823.16	17,301.55
<b>TOTAL</b>	<b>1,810,519.91</b>	<b>518,955.56</b>	<b>1,971,917.33</b>	<b>722,045.83</b>	<b>173,101.74</b>	<b>188,028.30</b>

Auditors have relied upon the information presented by management as above on maturity buckets.

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.

# Standalone Financial Statements

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## Exposures

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market and real estate.

### 17.5.32 Exposure to Real Estate Sector

The exposure, representing the higher of funded and non-funded limits sanctioned or outstanding to real estate sector, is given in the table below:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
<b>i)</b>	<b>Direct exposure</b>		
a)	Residential Mortgages	185,905.18	112,357.36
	Of total Residential Mortgages- Individual housing loans eligible for inclusion in priority sector advances	41,625.97	38,181.69
	Fund based	185,636.97	112,254.34
	Non fund based	268.21	103.02
b)	Commercial Real Estate*	97,895.72	181,981.80
	Of total Commercial Real Estate - outstanding as advances	88,713.36	162,005.55
c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
i)	Residential	1,278.11	1,691.30
ii)	Commercial Real Estate	-	-
<b>ii)</b>	<b>Indirect exposure</b>		
	Fund based and non fund based exposures on National Housing Board and Housing Finance Companies	34,110.73	54,697.06
	<b>Total Exposure to Real Estate Sector</b>	<b>319,189.74</b>	<b>350,727.52</b>

\*Commercial real estate exposure classification is based on RBI circular DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009.

### 17.5.33 Exposure to Capital Market

The exposure representing the higher of funded and non-funded limits sanctioned or outstanding to capital market sector is given in the table below:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
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;	629.77	68.25
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;	9,898.23	7,755.58
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';	2,067.26	16,522.38

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Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;*	17,378.77	8,490.97
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;	4,057.14	10,561.83
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	All exposures to Venture Capital Funds (both registered and unregistered)	214.01	233.17
<b>Total Exposure to Capital Market</b>		<b>34,245.18</b>	<b>43,632.18</b>

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).

\* Exposure of Stock Broker comprises Fund-based & Non-fund based portfolio and the Consolidated Exposure is inclusive of 'YES Securities Ltd'

\* Out of the above ₹ 3,665.09 million (Previous years: ₹ 2,708.97 million) is exposure to YES Securities (India) Limited, which is a subsidiary of the Bank.

## 17.5.34 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure (direct and indirect) of the Bank is categorized into various risk categories listed in the following table. As at March 31, 2023, the net funded country exposure (direct) of the Bank as a percentage of total funded assets for United States of America was 1.09% (for previous year March 31, 2022 United States of America was 1.19%). As the net funded exposure to United States of America exceeded 1.0% of total funded assets, the Bank held a provision of ₹ 102.0 million on country exposure (direct and indirect) at March 31, 2023 (March 31, 2022: ₹ 103.9 million) based on RBI guidelines.

(₹ in million)

Risk Category	As at March 31, 2023		As at March 31, 2022	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	122,727.3	102.0	141,336.7	103.9
Low	36,273.6	-	36,325.8	-
Moderately Low	1,126.3	-	4,980.7	-
Moderate	-	-	7.2	-
Moderately High	5,581.4	-	-	-
High	-	-	-	-
Very High	-	-	-	-
<b>TOTAL</b>	<b>165,708.6</b>	<b>102.0</b>	<b>182,650.3</b>	<b>103.9</b>

# Standalone Financial Statements

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## 17.5.35 Details of factoring exposure

The factoring exposure of the Bank outstanding as at March 31, 2023 is ₹ 3,669.50 million (Previous year: ₹ 2,581.17 million).

### Miscellaneous

## 17.5.36 Disclosure on borrowing and lending activities

The Bank, as part of its normal banking business, grants loans and advances, makes investments, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of the Bank's normal banking business and are undertaken in accordance with the guidelines prescribed by the Reserve Bank of India.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

The Bank has also not received any fund from any persons or entities, including foreign entities ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 17.5.37 Concentration of Deposits

The below table represents the deposits of top 20 depositors (excluding certificate of deposits, which are tradable instruments) as at March 31, 2023 and March 31, 2022.

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total deposits of the twenty largest depositors	260,840.86	279,595.80
Percentage of deposits of twenty largest depositors to total deposits of the bank	11.99%	14.18%

## 17.5.38 Concentration of Advances

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total advances to the twenty largest borrowers	3,52,599.49	3,42,575.79
Percentage of advances to twenty largest borrowers to total advances of the bank	9.09%	9.77%

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.

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## 17.5.39 Concentration of Exposures

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to the twenty largest borrowers/customers	3,57,281.64	3,70,734.79
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	8.84%	10.15%

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.

## 17.5.40 Concentration of NPAs

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to the top twenty NPA accounts*	30,348.55	175,607.90
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs*	63.55%	56.93%

\*Represents credit and investment exposure as per RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

## 17.5.41 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 and share warrants convertible into equity shares. The computation of earnings per share is given below:

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Basic (annualised)</b>		
Weighted average no. of equity shares outstanding	26,159,996,163	25,054,915,063
Net profit / (loss) (₹)	7,174.09	10,662.12
Basic earnings per share (₹)	0.27	0.43
<b>Diluted (annualised)</b>		
Weighted average no. of equity shares outstanding	26,245,554,354	25,057,565,654
Net profit / (loss) (₹)	7,174.09	10,662.12
Diluted earnings per share (₹)	0.27	0.43
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 and share warrants convertible into equity shares.

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Basic earnings per equity share has been computed by dividing net profit / (loss) 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 / (loss) 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 and allotment of share warrants convertible into equity shares. There is no impact of dilution on the profits in the current year and previous year.

## 17.5.42 Income Taxes

Provisions made for Income Tax during the year ended March 31, 2023 and March 31, 2022

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense*	24.56	-
Deferred income tax credit /(reversal)	2,430.53	3,696.36
<b>TOTAL</b>	<b>2,455.10</b>	<b>3,696.36</b>

\*Tax impact arising out of additions pertaining to previous financial years

## 17.5.43 Disclosure of penalties imposed by RBI

During the financial year ended March 31, 2023, following are the list of penalties imposed on the Bank by RBI.

Sl no.	Date	Topic	Detail	(₹ in million)
1.	6 instances	ATM replenishment	As per the RBI circular dated August 10, 2021 on 'Monitoring of Availability of Cash in ATMs', Banks are advised to strengthen their systems/ mechanisms to monitor availability of cash in ATMs and ensure timely replenishment to avoid cash-outs. Further, the circular stated that Cash-out at any ATM of more than 10 hours in a month will attract a flat penalty of ₹ 10,000/- per ATM. During the Financial Year April 2022-2023, RBI had levied a total penalty of ₹ 60,000 for non- replenishment of Bank's ATMs located at Howrah, Gorakhpur, Vijaywada, Lucknow, Ludhiana, and Ahmedabad for more than 10 hours.	0.06
2.	5 instances	Non-compliance with the RBI guidelines on issuance of soiled notes to General Public and non-provision of the facility for the exchange of soiled / mutilated bank notes by the branches	RBI had levied a penalty of ₹ 60,000 on account of non-compliance with the RBI guidelines on issuance of soiled notes to General Public and non-provision of the facility for the exchange of soiled / mutilated bank notes by the Branches.	0.06
3.	2 instances	Irregularities observed in the soiled note remittance from currency chest	RBI had levied a total penalty of ₹ 9,400 (2 instances) on account of the irregularities observed in the soiled note remittance received from YES BANK Delhi Currency Chest.	*

\* Represent ₹ 9,400.



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For the year ended March 31, 2023

During the financial year ended March 31, 2022, following are the list of penalties imposed on the Bank by RBI.

Sl no.	Date	Topic	Detail	(₹ in million)
1.	August 02, 2021	SGL Bounce	There was an instance of bouncing of SGL for ₹ 500 million on July 20, 2021. The Bank had immediately intimated this SGL Bounce instance to RBI vide email dated July 20, 2021. RBI vide letter dated July 23, 2021 had sought explanation in detail of the circumstances which led to the shortfall. The Bank had submitted its response to the RBI vide email dated July 28, 2021 providing explanation leading to the shortfall and requested RBI to condone the error.  Subsequently, RBI vide letter dated August 02, 2021 had imposed a penalty of ₹ 5,00,000 on this matter. The penalty has been paid by the Bank on August 4, 2021.	0.50
2.	November 30, 2021 and December 13, 2021	Irregularities observed in the soiled note remittance received from Currency Chest	RBI has imposed a penalty of ₹ 550/- on November 30, 2021 and a penalty of ₹ 200/- on December 13, 2021 on account of irregularities observed in the soiled note remittance received from YES BANK, Chembur Currency Chest. The same was informed to the Bank vide emails dated December 01, 2021 and December 13, 2021 respectively.	*
3.	February 22, 2022	Irregularities observed in the soiled note remittance	RBI vide email dated February 23, 2022 has informed that a penalty of ₹ 500 has been levied on February 22, 2022 on account of the irregularities observed in the soiled note remittance received on November 26, 2021 from YES BANK Chembur Currency Chest.	**

\* Represent ₹ 750

\*\* Represent ₹ 500

## 17.5.44 Fees/ Remuneration received from bancassurance

Bank has earned ₹ 2,577.88 million from bancassurance business during year ended March 31, 2023 (previous year: ₹ 1,785.54 million). The following table sets forth, for the periods indicated, the break-up of income derived from bancassurance business:

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from selling life insurance policies	1,992.56	1,464.65
Income from selling non-life insurance policies	585.32	320.90
<b>TOTAL</b>	<b>2,577.88</b>	<b>1,785.54</b>

## 17.5.45 Overseas Assets, NPAs and Revenue

The below table shows total assets, NPAs and revenue for the overseas branch (IBU) of the Bank.

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Total assets	171,384.35	153,159.65
Total NPAs	11,611.57	10,710.36
Total revenue	6,211.52	3,725.25

# Standalone Financial Statements

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## 17.5.46 Repatriation of profits

The Bank has not repatriated any profit from overseas branch during the FY 2022-23 and FY 2021-22.

## 17.5.47 Sponsored SPVs

The Bank has not sponsored any SPV during FY 2022-23 and FY 2021-22 and hence there is no consolidation due to SPVs in Bank's books.

## 17.5.48 Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2023 (previous year: 'Nil').

## 17.5.49 Credit / Debit card reward points

Provision for credit card and debit card reward points for the year ended March 31, 2023 and March 31, 2022

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening provision	529.45	451.99
Provision made during the year	464.65	235.27
Utilised/Write-back of provision	(350.43)	(157.81)
<b>Closing provision</b>	<b>643.67</b>	<b>529.45</b>

The valuation of credit card and debit card reward points is based on actuarial valuation obtained from an independent actuary.

## 17.5.50 Corporate Social Responsibility (CSR)

- Amount required to be spent by the Bank on CSR during the year was 'Nil' (previous year ₹ 'Nil').
- Amount spent towards CSR during the year and recognised as expense in the Profit and Loss account on CSR related activities is 'Nil' (previous year ₹ 'Nil')

## 17.5.51 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 at March 31, 2023 and March 31, 2022 which is as per AS-15 Employee Benefits (Revised):

- Changes in present value of Obligations:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Obligation at the beginning of the year	1,676.14	1,649.44
Interest Cost	97.99	98.90
Current Service Cost	308.60	289.17
Past Service Cost	-	-
Benefits Paid	(225.84)	(261.67)
Actuarial (gain)/loss on Obligation	(291.01)	(99.70)
<b>Present Value of Obligation at the end of the year</b>	<b>1,565.88</b>	<b>1,676.14</b>

# Standalone Financial Statements

For the year ended March 31, 2023

b) Changes in the fair value of plan assets:

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets at the beginning of the year	1,314.80	1,454.95
Adjustment to Opening Balance	0.00	-
Expected return on plan assets	76.86	87.24
Contributions	300.33	-
Benefits paid	(225.84)	(261.67)
Actuarial gain/(loss) on plan assets	(26.95)	34.28
<b>Fair value of plan assets at the end of the period</b>	<b>1,439.20</b>	<b>1,314.80</b>

The Bank has entire contribution of Gratuity Fund as Investments with Insurance Companies which are invested primarily in debt instruments as approved by IRDA.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

Net gratuity cost for the year ended March 31, 2023 and March 31, 2022 comprises the following components:

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	308.60	289.17
Interest Cost	97.99	98.90
Expected Return on plan assets	(76.86)	(87.24)
Net Actuarial gain recognized in the year	(264.06)	(133.99)
Past Service Cost	-	-
<b>Expenses recognized</b>	<b>65.66</b>	<b>166.85</b>

Experience History:

(₹ in million)

Particulars	For the year ended				
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
(Gain)/Loss on obligation due to change in assumption	(350.47)	(26.74)	-	(249.13)	63.57
Experience (Gain)/Loss on obligation	59.46	(126.45)	(137.06)	47.68	(29.59)
Actuarial Gain/(Loss) on plan assets	(26.95)	34.28	30.21	(26.95)	(26.25)

# Standalone Financial Statements

For the year ended March 31, 2023

The assumptions used in accounting for the gratuity plan are set out below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate	7.20%	5.85%
Expected Return on Plan Assets	7.20%	5.85%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Future Salary Increases	9.00%	11.00%
Disability		
Attrition	26% - 41%	20%-35%
Retirement	60 Years	60 Years

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset / liability

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets at the end of the period	1,439.20	1,314.80
Present Value of Obligation at the end of the year	1,565.89	1,676.14
<b>Plan asset / (liability)</b>	<b>(126.68)</b>	<b>(361.34)</b>

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

## National Pension Scheme

The Bank has contributed ₹ 53.47 million for the year ended March 31, 2023 (March 31, 2022: ₹ 39.12 million) to NPS for employees who had opted for the scheme. The Bank has no liability for future fund benefits other than its annual contribution for the employees who agree to contribute to the scheme.

## Provident Fund (PF)

The Bank has recognised in the profit and loss account ₹ 1,187.74 million for the year ended March 31, 2023 (March 31, 2022: ₹ 1,019.73 million) towards contribution to the provident fund.

## Compensated absences

The Bank has recognised ₹ 47.31 million in the profit and loss account for the year ended March 31, 2023 (March 31, 2022: ₹ 76.61 million) towards compensated absences.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.52 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. RBI in its Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting, has identified 'Digital Banking' as a sub-segment under Retail Banking. During the year ended March 31, 2023, a Digital Banking Unit (DBU) of the Bank has commenced its operations. The Bank has presented segment results pertaining to the said DBU of the Bank in sub-segment 'Digital Banking' of Retail banking segment for the year ended March 31, 2023. Comparative presentation of segmental results of sub-segment 'Digital Banking' for the year ended March 31, 2022 is not applicable.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2023 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking#	Other Banking Operations	Total
Segment Revenue	51,238.30	98,217.29	112,760.56	4,703.58	266,919.73
Less: Inter-segment					(678.93)
Revenue net of inter- segment					266,240.80
<b>Result</b>	(29,492.81)	34,889.77	18,111.35	1,673.35	<b>25,181.65</b>
Unallocated Expenses					(15,552.47)
Operating Profit					9,629.18
Income Taxes					2,455.10
Extra-ordinary Profit/(Loss)					-
<b>Net Profit</b>					<b>7,174.09</b>
<b>Other Information:</b>					
Segment assets	1,381,993.23	951,529.95	1,103,801.47	830.44	3,438,155.09
Unallocated assets					109,706.22
<b>Total assets</b>					<b>3,547,861.31</b>
Segment liabilities	863,633.21	1,120,013.59	1,150,552.53	559.49	3,134,758.82
Unallocated liabilities					413,102.49
<b>Total liabilities</b>					<b>3,547,861.31</b>

Other banking operations includes income from bancassurance business ₹ 2,577.88 million during year ended March 31, 2023.

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# Segmental results of sub-segment 'Digital Banking' of Retail banking segment above.

(₹ in million)

Digital Banking (a sub-segment of Retail banking segment)	For the year ended March 31, 2023
Segment Revenue	0.08
Result	(1.63)
Segment assets	4.71
Segment liabilities	2.02

Segmental results for the year ended March 31, 2022 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	62,669.63	95,080.75	78,567.39	3,454.81	239,772.58
Less: Inter-segment					(16,912.77)
Revenue net of inter- segment					222,859.81
<b>Result</b>	6,468.75	20,293.64	30.76	1,761.25	<b>28,554.41</b>
Unallocated Expenses					(14,195.92)
Operating Profit					14,358.48
Income Taxes					3,696.36
Extra-ordinary Profit/(Loss)					-
<b>Net Profit</b>					<b>10,662.12</b>
<b>Other Information:</b>					
Segment assets	1,215,583.94	1,012,785.30	842,931.13	501.82	3,071,802.19
Unallocated assets					110,400.06
<b>Total assets</b>					<b>3,182,202.25</b>
Segment liabilities	833,963.78	1,062,702.10	942,695.72	617.01	2,839,978.62
Unallocated liabilities					342,223.63
<b>Total liabilities</b>					<b>3,182,202.25</b>

Other banking operations includes income from bancassurance business ₹ 1,785.54 million during year ended March 31, 2022.

## Notes for segment reporting:

- The business of the Bank is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).
- In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
- Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
- The unallocated assets Includes tax paid in advance/tax deducted at source and deferred tax asset.
- The unallocated liabilities include Share Capital and Reserves & Surplus.
- Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.53 Deferred Taxation

The deferred tax asset of ₹ 89,411.54 million as at March 31, 2023 and ₹ 91,842.08 million as at March 31, 2022, 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 million)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation	363.15	670.86
Provision for gratuity and unutilized leave	307.15	429.29
Provision for Non-Performing Assets	7,576.97	49,668.84
Amortization of premium on HTM securities	77.17	77.17
Business Loss	63,628.05	19,309.20
Unabsorbed Depreciation	2,284.44	914.39
Provision for standard advances	4,418.70	4,795.27
Other Provisions	10,755.90	15,977.06
<b>Total</b>	<b>89,411.54</b>	<b>91,842.08</b>

During the year ended March 31, 2023, the Bank has reported net profit of ₹ 7,174.09 million. The Bank continues to carry such deferred tax asset in its Balance Sheet, as basis financial projections approved by the management, there is reasonable certainty of having sufficient taxable income to enable realisation of the said deferred tax asset as specified in Accounting Standard 22 (Accounting for Taxes on Income). The Bank has opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961. Accordingly, the Bank has recognised Provision for Income Tax basis the rate prescribed in the aforesaid section.

## 17.5.54 Related Party Disclosures

The Bank has transactions with its related parties comprising of subsidiary, key management personnel and the relatives 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, 2023 are disclosed below:

### Subsidiary

- YES Securities (India) Limited

Individuals having significant influence & Key Management Personnel ('KMP') (Whole time Directors) and their relatives (to the extent transactions made):

- Mr. Prashant Kumar, Managing Director & CEO  
Relative - Neelam Agarwal
- Mr. Rajan Pental, Executive Director (Appointed with effect from February 02, 2023)  
Relatives - Anju Pental, Aryan Pental, Shreya Pental, Jyoti Walia, Sangeeta Rajpal

### Investing Company

- State Bank of India Limited (SBI)

# Standalone Financial Statements

For the year ended March 31, 2023

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, 2023:

(₹ in million)

Items / Related Party Category	Investing party <sup>1</sup>	Maximum Balance during the year	Subsidiaries	Maximum Balance during the year	Whole time directors / individual having significant influence	Maximum Balance during the year	Relatives of whole time directors / individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole time director having significant influence
Deposits	#	#	#	#	52.49*	52.49@	5.69*	5.77@	-
Advances (Overdraft)	#	#	#	#	0.00	0.00	0.19*	0.25	-
Investment	#	#	#	#	-	-	-	-	-
Interest received	#	#	#	#	0.00	-	0.00	-	-
Interest paid	#	#	#	#	2.17	-	0.06	-	-
Reimbursement of Cost incurred	#	#	#	#	-	-	-	-	-
Receiving of services	#	#	#	#	-	-	-	-	-
Payable	#	#	#	#	-	-	-	-	-
Receivable	#	#	#	#	-	-	-	-	-
Sale of Assets	#	#	#	#	-	-	-	-	-
Funded/Non Funded Exposure	#	#	#	#	-	-	-	-	-
Remuneration paid	#	#	#	#	19.79 <sup>^</sup>	-	-	-	-

1 As per Accounting Standard 18 - Related Party Disclosure, State Bank of India Limited (SBI) is an investing company for YES BANK Limited and YES BANK is associate of SBI

# Secrecy provision: As per RBI Circular RBI/DOR/2021-22/83 DOR.ACC.REC No.45/21.04.2018/2021-22 dated August 30,2021 (as updated from time to time), where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party. Therefore, only the nature of relationship is disclosed, and summarized counterparty details are provided for website publication. In order to maintain secrecy of transactions pertaining to the individual parties.

\*Represents balance as at March 31, 2023

@Represents the maximum month end balance maintained during the FY 2022-23.

<sup>^</sup> Remuneration includes remuneration of Managing Director & CEO for the period April 1, 2022 to March 31, 2023 and remuneration of Executive Director for the period February 2, 2023 to March 31, 2023.

Values of the related party transactions during the reporting period and their balances containing amounts below ₹ 10,000 are denoted as '0.00'.

During the year ended March 31, 2023, the Bank has contributed 'Nil' to YES Foundation. YES Foundation is public charitable trust which undertakes social charitable activities.



# Standalone Financial Statements

For the year ended March 31, 2023

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, 2022:

(₹ in million)

Items / Related Party Category	Investing party <sup>1</sup>	Maximum Balance during the year	Subsidiaries <sup>2</sup>	Maximum Balance during the year	Whole time directors / individual having significant influence	Maximum Balance during the year	Relatives of whole time directors / individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole time director having significant influence
Deposits	#	#	1,291.57*	1,760.08	#	#			
Advances (Overdraft)			929.81*	1,295.04	#				
Investment	#	#	1,490.00*	2,593.00	#				
Interest received	#	#	57.99		#				
Interest paid	#	#	57.42		#				
Reimbursement of Cost incurred	#	#	40.81		#				
Receiving of services	#	#	1.06		#				
Payable	#	#	-		#				
Receivable	#	#	9.17		#				
Sale of Assets	#	#	-		#				
Funded/Non Funded Exposure	#	#	2950.00		#				
Remuneration paid	#	#			#				

# As per RBI Circular, where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party.

\*Represents outstanding as at March 31, 2022.

<sup>1</sup> As per Accounting Standard 18 - Related Party Disclosure, State Bank of India Limited (SBI) is an investing company for YES BANK Limited and YES BANK is associate of SBI

<sup>2</sup> On November 1, 2021, the Bank has completed the sale of its entire stake in its wholly owned subsidiaries YES Asset Management (India) Limited and YES Trustee Limited to GPL Finance and Investments Limited. The net positive impact to the standalone financial results post this sale, including reversal of the impairment provision was ₹ 149.40 million.

During the year ended March 31, 2022, the Bank has contributed 'Nil' to YES Foundation. YES Foundation is public charitable trust which undertakes social charitable activities.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.55 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2023 was ₹ 3,693.83 million (Previous year: ₹ 3,378.62 million). During the year ended March 31, 2023, the Bank paid minimum lease payment ₹ 3,394.50 million (Previous year: ₹ 3,335.19 million).

The following table sets forth, for the period indicated, the details of future rentals payment on operating leases:

(₹ in million)

Lease obligations	As at March 31, 2023	As at March 31, 2022
Not later than one year	3,409.51	2,945.23
Later than one year and not later than five years	11,888.69	10,181.06
Later than five years	12,665.99	11,433.36
<b>Total</b>	<b>27,964.19</b>	<b>24,559.65</b>

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.

## 17.5.56 ESOP disclosures

The Bank has following Employee Stock Option Plans Schemes in operation viz:

- (i) YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010); and
- (ii) YBL Employee Stock Option Scheme, 2020 (YBL ESOS 2020) which is consisting of YBL Joining Employee Stock Option Plan, 2018 (JESOP 2018), YBL Performance Employee Stock Option Plan, 2018 (PESOP 2018), YBL Performance Employee Stock Option Plan, 2020 (PESOP 2020) and YBL MD&CEO Stock Option Plan, 2020 (MD&CEO Plan 2020). Effective September 10, 2020 nomenclature of the scheme was changed from YBL ESOS – 2018 to YBL ESOS -2020 and all the plans under the said scheme continue to be valid. All new options have been granted under the YBL ESOS 2020 (which inter-alia consist of JESOP 2018, PESOP 2018, PESOP 2020 and MD & CEO Plan 2020. YBL ESOS 2020 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time. Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options.

Grants under JESOP V/ PESOP II -2010 had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans.

In accordance with the various Employee Stock Option Plans/ Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time:

JESOP/PESOP	ESOP Scheme	Exercise period
JESOP	JESOP V	50% after 3 years and balance after 5 years from the Grant date
	JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
	PESOP II – 2010	30%, 30% & 40% each year, from end of 3 <sup>rd</sup> year from the Grant date
PESOP	PESOP 2018	30%, 30% & 40% each year, from end of 3 <sup>rd</sup> year from the Grant date
	PESOP 2020	25% will vest at the end of 12, 24, 36, 42 months from the grant date
MD & CEO Plan	MD & CEO plan 2020	25% will vest at the end of 12, 24, 36, 42 months from the grant date

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

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Summary of the status of the Bank's stock option plans as at March 31, 2023 and March 31, 2022 is set out below:

	As at March 31, 2023		As at March 31, 2022	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	110,581,230	8,179,527	54,717,740	9,787,677
Granted during the year	132,190,469	980,000	71,479,000	525,000
Exercised during the year	3,666,651	-	47,000	-
Forfeited / lapsed during the year	23,775,439	1,563,630	15,568,510	2,133,150
Options outstanding at the end of the year	215,329,609	7,595,897	110,581,230	8,179,527
Options exercisable	33,799,652	5,328,397	16,986,335	5,663,277
Weighted average exercise price (₹)	12.98	-	13.50	-
Weighted average remaining contractual life of outstanding option (yrs)	1.50	2.38	1.62	1.73

The Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted beginning from April 01, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognized as compensation expense over the vesting period. As a result, 'Employees cost' for the year ended March 31, 2023 is ₹ 216.26 million and ₹ 82.42 million for the year ended March 31, 2022. The Bank has adopted the Fair Value method (based on Black-Scholes pricing model), for pricing and accounting of options for the year ended March 31, 2023. If the Bank had adopted the Fair Value for all the options granted till March 31, 2021, the net profit after tax would have been lower by ₹ 53.24 million (the net profit after tax would have been lower by ₹ 175.95 million in previous year), There will be no impact on the basic earnings per share and diluted earnings per share i.e. ₹ 0.27 per share (Previous year: ₹ 0.42 per share instead of ₹ 0.43 per share) due to the impact of the aforesaid mentioned difference between the Intrinsic Value of the Options and the Fair Value of the Options.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Risk free interest rate	6.53%-7.57%	4.06%-6.75%
Expected life	1.5 yrs-7.5 yrs	1.5 yrs-7.5 yrs
Expected volatility	24.18%-49.38%	41.73%-60.75%
Expected dividends	1.10%	1.10%

In computing the above information, certain estimates and assumptions have been made by the Management.

## Other Disclosures

### 17.5.57 Disclosure on Remuneration

(a) Composition of the N&RC of the Bank as at March 31, 2023 is as follows:

Ms. Nandita Gurjar	Independent Director (Chairperson)
Mr. Atul Malik	Independent Director
Ms. Rekha Murthy	Independent Director
Mr. Rama Subramaniam Gandhi	Independent Director (Part-time Chairperson of the Board)
Mr. Sandeep Tewari	Nominee Director (of SBI)
Ms. Shweta Jalan	Non-Executive Non-Independent Director

# Standalone Financial Statements

For the year ended March 31, 2023

The roles and responsibilities of the N&RC are as under-

- 1) To review the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;
- 2) To examine the qualification, knowledge, skill sets and experience of each director vis-a- vis the Bank's requirements and their effectiveness to the Board on a yearly basis and accordingly recommend to the Board for the induction of new Directors;
- 3) To scrutinize nominations for Directors with reference to their qualifications and experience and making recommendations to the Board for appointment/filling of vacancies;
- 4) 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;
- 5) To formulate performance evaluation framework of Individual Directors (including Chairperson, Managing Director & CEO, Executive Directors, Independent Directors, Non-Independent Directors), Board as a whole and Board level Committees;
- 6) To review the implementation of performance evaluation framework and its compliance;
- 7) To evaluate Whether to extend or continue the term of appointment of the independent director on the basis of report of performance evaluation of independent directors;
- 8) 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;
- 9) To develop and recommend to the Board Corporate Governance guidelines applicable to the Bank for incorporating best practices;
- 10) To implement policies and processes relating to Corporate Governance principles;
- 11) To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- 12) To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - (a) use the services of an external agencies, if required;
  - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (c) consider the time commitments of the candidates.
- 13) To devise a Policy on Board diversity;
- 14) To recommend to the Board a policy relating to, the remuneration for the directors, key managerial personnel and other employees including performance/achievement bonus, perquisites, retivals, sitting fee, etc.;
- 15) 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;

# Standalone Financial Statements

For the year ended March 31, 2023

- 16) To ensure the following while formulating the policy on the below matters:
- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - (c) remuneration to Whole time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the Company and its goals ; and
- 17) To recommend to the Board all remuneration, in whatever form, payable to senior management.
- 18) To formulate detailed terms and conditions of the Employee Stock Option Schemes and to adopt, administer, enforce, modify and supervise the same;
- 19) To function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and to consider grant of stock options to employees and allot shares pursuant to exercise of Stock Options by employees;
- 20) To review the Human Capital Capacity Planning on annual basis;
- 21) To review the Succession Planning;
- 22) To review the HCM Policies and provide suitable guidance for additions/ modification/ deletions, if any;
- 23) To approve the appointment of Chief Human Resources Officer;
- 24) To approve the appointment of Chief Financial Officer and Company Secretary;
- 25) To approve the hiring requisition for any new position as MD&CEO Direct Reports
- 26) 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 design and structure of remuneration process for MD & CEO/ WTDs/ MRTs is in line with the guidelines stated in the RBI circular dated 04 November 2019 (Ref. RBI/2019-20/89, DOR.APPT. BC. No. 23/29.67.001/2019-20). The remuneration for MD & CEO/ WTDs/ MRTs is 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 is consistent with the risk alignment taking into account the adherence to statutory requirements and industry practices.

The Compensation components comprise the following:

- i. **Fixed Pay and perquisites:** Fixed Compensation includes components as Basic Salary, Supplementary Allowance, Superannuation/ retirals and the perquisites including monetary value of reimbursements which have a monetary ceiling.
- ii. **Variable Pay:** The Variable Pay for MD & CEO/ WTDs/ MRTs comprises Performance Bonus and Share Linked Instrument. The proportion of Variable pay to the remuneration, the composition of variable pay between Performance Bonus and Share Linked Instruments, and the deferral arrangements for payment are in line with the RBI Guidelines.

# Standalone Financial Statements

For the year ended March 31, 2023

## An overview of the key features and objectives of remuneration policy –

The Bank's Human Capital philosophy focuses on acquiring top quality Human Capital and empowering them to push their boundaries beyond their comfort zones, inculcating the right mind-set based on a deep sense of organizational commitment and ownership. This promotes a deepening of the mind share of stakeholders through superior outcomes which in turn enhances the market share and drives sustainable growth.

In line with the above, the "Total Rewards Policy" of the Bank has the following objectives:

- Attracting and retaining top class talent
- Creating and reinforcing a strong meritocracy-based performance culture
- Reinforcing employee behaviors aligned with organizational values, which include adherence to the best Governance practices, prudent risk taking and delivering superior outcomes to stakeholders

## (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.

Our current remuneration process/ Policy considers the current and future risks in the following steps:

1. Defined Performance measures of each employee in accordance with overall target of their operating units, which is determined basis the stated risk appetite of the Bank and reflects the applicable Risk profile and tolerance.
2. Defined Key Performance Indicators (KPI) which comprise factors such as Risk Management, Superior & Consistent customer service, Cost Management, Strengthening Systems, Controls & Processes and Human Capital Development. Thus, the performance assessment is an outcome of measuring the performance holistically.
3. A significant portion of remuneration for Senior Executives of the Bank is the Variable Pay and it is dependent on the performance of Bank, Business Unit and the Individual. The Bank's Variable Pay Program rewards employees on both short-term and long-term basis. There is a direct correlation between the quantum of Variable Pay payout and level of risk exposure and level and role of an employee in the organization.
4. To assess and incorporate the future risk, deferral arrangements have been incorporated for the payout of Variable Pay, where a certain proportion of Variable Pay (Cash and Non-Cash) is deferred over a period of time for the Senior Executives of the Bank. The Bank assesses through the Business Unit Head/ Risk/ Compliance/ Audit/ Finance function for any adverse outcomes in the case of organizational or business unit or individual level prior to the payment of the deferred portion.
5. In the event of a negative contribution or adverse outcomes, deferred compensation is subject to appropriate malus/claw-back arrangements as decided by the Board Remuneration Committee.

## (d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.

The Bank's performance management process and compensation philosophies are structured to support the achievement of the Bank's Key Strategic Objectives (KSO) such as Governance Compliance, Liability Generation, Cost Management, Customer service, Strengthening Systems, Controls & Processes and Human Capital Development. The Bank has a comprehensive process towards defining measurable Key Performance Indicators (KPIs) for MD & CEO/ WTDs/ MRTs, which are set against the financial and non-financial KSOs of the Bank, and the goals framed for the performance year have a linkage with these KSOs. The targets for these are determined at the Bank, Business Unit and Individual level. Achievement of targets is assessed during the Annual Performance Review and the performance assessment outcomes have an impact on the remuneration.

# Standalone Financial Statements

For the year ended March 31, 2023

- (e) A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

The variable remuneration (cash and non-cash), above certain threshold, for the Senior Executives of the Bank is subject to a deferral arrangement as per the RBI guidelines. An assessment of individual/ Business Unit/ Bank performance as well as identification of cases with negative or adverse outcomes is done prior to payout of the deferred component. The payment of the same is subject to malus and claw-back clauses defined in the Bank's Total Rewards Policy.

- (f) Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.

In line with the guidelines in the RBI circular, Variable Remuneration for MD & CEO/ WTDs/ MRTs at YES BANK comprise Performance Bonus Plan and Share Linked Instruments as prescribed in the guidelines.

For Senior and Top management employees (other than MRTs) at Bank, the variable remuneration includes Performance Bonus and Share Linked Instruments.

For the rest of employees at Bank, the variable remuneration includes, Performance Bonus or Sales Incentives. Additionally, remuneration of select employees in Middle management also includes Share Linked Instruments.

- (g) There were 11 meetings of the N&RC held during the year ended March 31, 2023 (Previous year: 10 meetings). The Bank had paid a remuneration of ₹ 2.45 million to the members of the N&RC for attending the meetings of the N&RC (Previous year: ₹ 1.9 million).

The quantitative disclosures covers only Whole Time Directors/ Chief Executive Officer/ Material Risk Takers as per Appendix 3 of RBI circular dated 04 November 2019 (Ref. RBI/2019-20/89, DOR.APPT. BC. No. 23/29.67.001/2019-20).

(₹ in million except No. of employees)

	No of employees	For the year ended March 31, 2023	No of employees	For the year ended March 31, 2022
h. (i) Number of employees having received a variable remuneration award during the financial year.	14	-	18	-
(ii) Number and total amount of sign-on awards made during the financial year.	-	-	-	-
(iii) Details of severance pay, in addition to accrued benefits, if any.	-	-	-	-
i. (i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	14	252.00	24	128.50
(ii) Total amount of deferred remuneration paid out in the financial year.	13	87.00	16	4.45
j. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred				
Total remuneration award	17 *	489.17	29	380.88
Of which Fixed Component	17	267.66	29	303.71
Of which Variable Component	14	221.51	18	77.17
Deferred	14	166.13	18	71.27
Non-deferred	14	55.38	1	5.90

# Standalone Financial Statements

For the year ended March 31, 2023

		No of employees	For the year ended March 31, 2023	No of employees	For the year ended March 31, 2022
k.	(i)	14	252.00	24	128.50
	(ii)	-	-	-	-
	(iii)	-	-	-	-
l.		15	-	25	-
m.	(i)	-	-	2 <sup>s</sup>	-
	(ii)	-	-	-	-
	(iii)	-	-	-	-
n.		-	Mean Pay for the bank – 1.24 <sup>#</sup> Deviation of Pay of WTDs from mean pay for the Bank – MD&CEO - 28:1 ED <sup>^</sup> – 5:1	-	Mean Pay for the bank – 1.06 <sup>#</sup> Deviation of Pay of WTDs from mean pay for the Bank – MD&CEO - 27:1

## Note:

1. Compensation for MD & CEO is as approved by the RBI and paid by the Bank to the MD & CEO. Compensation for other material risk takers is as approved by the Bank.

2. For the Financial Year ended March 31, 2023, 30,343,942 ESOP were issued to 13 material risk takers and MD & CEO (previous year: 12,476,000 ESOPs to 17 material risk takers and MD & CEO)

<sup>#</sup>This computation is based on Annual Fixed Pay.

\* Payout to material risk takers who have exited during FY23 has been included

<sup>^</sup> Executive Director was appointed from February 2, 2023 and his compensation for period February 2, 2023 to March 31, 2023 has been considered

<sup>\$</sup>Vested & not exercised and un-vested ESOPs forfeited.

## 17.5.58 Movement in Floating Provisions

The Bank has not created or utilized any floating provisions during the financial year ended March 31, 2023 (Previous year: ₹ 'Nil').

## 17.5.59 Drawdown from Reserves

During the financial year ended March 31, 2023, the Bank has not drawn down any reserve. (Previous year: ₹ 'Nil').



# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.60 Liquidity Coverage Ratio (LCR)

The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2022-23.

(₹ in million)

Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
<b>High Quality Liquid Assets</b>								
1 Total High Quality Liquid Assets (HQLA)	557,546.55	549,861.58	872,104.17	84,190.80	802,915.46	77,303.00	750,771.64	544,477.36
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	63,068.24	3,153.41	60,392.24	3,019.61	59,770.88	2,988.54	57,894.76	2,894.74
(ii) Less stable deposits	847,654.08	84,765.41	811,711.93	81,171.19	743,144.58	74,314.46	692,876.88	69,287.69
3 Unsecured wholesale funding, of which:								
(i) Operational deposits (all counterparties)	112,092.62	28,023.15	101,851.85	25,462.96	97,469.82	24,367.45	96,977.21	24,244.30
(ii) Non-operational deposits (all counterparties)	757,894.98	366,164.98	766,978.81	378,909.97	749,907.85	373,400.12	718,923.40	363,690.89
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	18,208.44	-	4,426.04	-	12,520.82	-	48,674.57	-
<b>5 Additional requirements, of which</b>	<b>42,246.11</b>	<b>32,430.57</b>	<b>33,714.19</b>	<b>28,957.38</b>	<b>23,769.64</b>	<b>21,111.77</b>	<b>17,613.57</b>	<b>15,676.92</b>
(i) Outflows related to derivative exposures and other collateral requirements	31,339.96	31,339.96	28,428.84	28,428.84	20,811.15	20,811.15	15,448.42	15,448.42
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	10,906.15	1,090.61	5,285.35	528.54	2,958.49	300.62	2,165.15	228.50
6 Other contractual funding obligations	79,223.85	79,223.85	73,460.77	73,460.77	71,498.43	71,498.43	41,527.96	41,527.96
7 Other contingent funding obligations	1,206,104.81	45,649.42	1,181,696.65	44,631.11	1,080,679.73	43,089.95	1,029,672.73	40,926.97
<b>8 Total Cash Outflows</b>	<b>3,126,493.13</b>	<b>639,410.79</b>	<b>3,034,232.48</b>	<b>635,612.99</b>	<b>2,838,761.75</b>	<b>610,770.72</b>	<b>2,704,161.08</b>	<b>558,249.47</b>
<b>Cash Inflows</b>								
9 Secured lending (e.g. reverse repos)	30,022.06	-	66,328.85	-	135,115.29	-	208,681.11	-
10 Inflows from fully performing exposures	167,928.22	99,600.33	155,222.90	96,168.45	125,281.80	76,497.43	115,532.76	71,521.42
11 Other cash inflows	75,653.93	75,653.93	57,864.86	57,864.86	50,176.98	50,176.98	30,918.94	30,918.94
<b>12 Total Cash Inflows</b>	<b>273,604.21</b>	<b>175,254.26</b>	<b>279,416.61</b>	<b>154,033.31</b>	<b>310,574.07</b>	<b>126,674.41</b>	<b>355,132.81</b>	<b>102,440.36</b>
<b>13 TOTAL HQLA</b>	<b>557,546.55</b>	<b>549,861.58</b>	<b>872,104.17</b>	<b>84,190.80</b>	<b>802,915.46</b>	<b>77,303.00</b>	<b>750,771.64</b>	<b>544,477.36</b>
<b>14 Total Net Cash Outflows</b>	<b>464,156.53</b>	<b>481,579.68</b>	<b>481,579.68</b>	<b>481,579.68</b>	<b>481,579.68</b>	<b>481,579.68</b>	<b>481,579.68</b>	<b>455,809.11</b>
<b>15 Liquidity Coverage Ratio (%)</b>	<b>120.12%</b>	<b>114.18%</b>	<b>120.12%</b>	<b>114.18%</b>	<b>120.12%</b>	<b>116.60%</b>	<b>119.45%</b>	<b>119.45%</b>

# Standalone Financial Statements

For the year ended March 31, 2023

The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2021-22.

Particulars	(₹ in million)											
	Quarter ended March 31, 2022			Quarter ended December 31, 2021			Quarter ended September 30, 2021			Quarter ended June 30, 2021		
	Unweighted Value	Total Weighted Value	Total Value	Unweighted Value	Total Weighted Value	Total Value	Unweighted Value	Total Weighted Value	Total Value	Unweighted Value	Total Weighted Value	Total Value
<b>High Quality Liquid Assets</b>												
1 Total High Quality Liquid Assets (HQLA)		511,293.81	531,757.41		528,984.74		461,423.99					
<b>Cash Outflows</b>												
2 Retail deposits and deposits from small business customers, of which:	732,728.31	70,444.00	716,542.44	68,818.45	702,599.97	67,484.58	665,156.25	63,864.73				
(i) Stable deposits	56,576.62	2,828.83	56,715.87	2,835.79	55,508.38	2,775.42	53,017.91	2,650.90				
(ii) Less stable deposits	676,151.68	67,615.17	659,826.56	65,982.66	647,091.59	64,709.16	612,138.35	61,213.83				
3 Unsecured wholesale funding, of which:	756,995.60	371,622.53	747,683.29	363,988.00	714,765.14	351,654.46	617,972.73	295,795.59				
(i) Operational deposits (all counterparties)	87,148.52	21,787.13	84,245.44	21,061.36	67,850.17	16,962.54	58,603.68	14,650.92				
(ii) Non-operational deposits (all counterparties)	669,847.08	349,835.40	663,437.85	342,926.64	646,914.97	334,691.92	559,369.06	281,144.67				
(iii) Unsecured debt	-	-	-	-	-	-	-	-				
4 Secured wholesale funding	125,369.09	-	122,199.69	-	57,871.74	-	55,144.54	-				
5 Additional requirements, of which	20,210.38	17,708.49	20,805.96	19,441.18	21,421.17	20,963.94	23,015.06	22,457.32				
Outflows related to derivative exposures and other collateral requirements	17,430.31	17,430.31	19,289.54	19,289.54	20,913.14	20,913.14	22,395.35	22,395.35				
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-				
(iii) Credit and liquidity facilities	2,780.07	278.17	1,516.43	151.64	508.03	50.80	619.71	61.97				
6 Other contractual funding obligations	55,363.24	55,363.24	38,372.97	38,372.97	53,853.40	53,853.40	30,826.73	30,826.73				
7 Other contingent funding obligations	1,066,203.88	40,093.80	1,015,248.18	38,062.74	964,042.22	37,408.04	980,006.61	36,631.22				
<b>8 Total Cash Outflows</b>	<b>2,756,870.50</b>	<b>555,232.06</b>	<b>2,660,852.53</b>	<b>528,683.34</b>	<b>2,514,553.64</b>	<b>531,364.42</b>	<b>449,575.59</b>	<b>449,575.59</b>				
<b>Cash Inflows</b>												
9 Secured lending (e.g. reverse repos)	208,951.84	-	202,716.37	-	162,988.85	-	179,950.08	-				
10 Inflows from fully performing exposures	107,134.71	70,595.05	97,618.06	71,068.06	72,175.90	56,386.01	84,293.13	70,222.58				
11 Other cash inflows	39,984.60	39,984.60	29,666.27	29,666.27	26,766.67	26,766.67	30,182.56	30,182.56				
<b>12 Total Cash Inflows</b>	<b>356,071.15</b>	<b>110,579.65</b>	<b>330,000.70</b>	<b>100,734.33</b>	<b>261,931.42</b>	<b>83,152.68</b>	<b>294,425.77</b>	<b>100,405.14</b>				
<b>13 TOTAL HQLA</b>	<b>511,293.81</b>	<b>511,293.81</b>	<b>531,757.41</b>	<b>531,757.41</b>	<b>528,984.74</b>	<b>461,423.99</b>	<b>461,423.99</b>	<b>461,423.99</b>				
<b>14 Total Net Cash Outflows</b>	<b>444,652.41</b>	<b>114.99%</b>	<b>427,949.01</b>	<b>124.26%</b>	<b>448,211.74</b>	<b>118.0%</b>	<b>349,170.45</b>	<b>132.15%</b>				
<b>15 Liquidity Coverage Ratio (%)</b>												

For all the quarters in the current and previous year, the average weighted and unweighted amounts are calculated taking simple average of daily positions.

# Standalone Financial Statements

For the year ended March 31, 2023

## Qualitative Disclosure:

Liquidity Coverage Ratio (LCR) is one of the key reforms adopted by RBI to develop a more resilient banking sector.

LCR indicates the bank's ability to meet proportion of the Bank's liquidity needs under a 30 day stress period as assessed based on regulatory guidelines with the High Quality Liquid Assets (HQLA) maintained by the Bank. As per the regulatory guidelines, Banks are required to maintain minimum LCR at 100% i.e. maintain HQLA of a minimum 100% for Net Cash Outflows as assessed based on the regulatory guidelines.

The Bank has implemented robust process to compute and report the LCR in line with regulatory guidelines and is monitored at consolidated level. Further, the Bank also monitors its liquidity requirements in USD.

The Bank segregates its deposits into various customer segments, viz. Retail (which include deposits from individuals), Small Business Customers (those with deposits up to ₹ 7.5 crore) and Wholesale Customers to determine the cash outflows for LCR. Within Wholesale, deposits on account of Operational activity by the customers through clearing, custody, and cash management services of the Bank are classified as Operational Deposits. Non-Operational Deposits from wholesale customers are further segregated within Non-Financial Corporates and Others to compute the corresponding Cash Outflow for LCR. The Bank also includes other contractual funding including a portion of other liabilities which are expected to run down in a 30-day time frame in the cash outflows. These classifications, based on regulatory guidelines, are part of the Bank's LCR framework. Expected derivative cash outflows and inflows from outstanding contracts are considered for computation of Net Cash Outflow. The Bank considers the other expected inflows in next 30 days as prescribed in the regulatory guidelines to compute the Net Cash Outflows for LCR.

HQLA maintained by the Bank primarily comprises of cash reserves in excess of required CRR, Government Securities i.e., Treasury Bills, dated securities issued by the Central & State Government along with eligible Corporate Bonds & Commercial Papers that qualify as Level 2 HQLA. Further, securities forming part of HQLA maintained by the Bank is well diversified across various marketable instruments, which shall provide the Bank adequate and timely liquidity to meet the Net Cash Outflow as & when required.

The Bank endeavors to meet the LCR requirement and adequacy of LCR remains a conscious strategy of the Bank. The Bank has placed stringent threshold as risk appetite for maintenance of LCR to maintain sufficient liquidity and compliance to LCR on an ongoing basis.

The Board of Directors of the Bank has empowered the Asset Liability Management Committee i.e. ALCO (Top Management Executive Committee) to monitor and strategize the Balance Sheet profile of the Bank within overall Board approved Strategic and Risk framework. In line with the business strategy, ALCO forms an Interest Rate/Liquidity view for the bank with the help of the economic analysis. ALCO of the Bank channelizes various business segments of the Bank to target good quality asset and liability profile to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs and meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank. BSMG (Balance Sheet Management Group) of the Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis as per ALCO guidance.

The daily average LCR for the quarter ending March 31, 2023 is 120.12% (for the quarter ending March 31, 2022 was 114.99 %), which is well above the prudential requirement of 100%

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.61 Net Stable Funding Ratio (NSFR) Quantitative disclosure

Particulars	(₹ in million)					
	As at March 31, 2023			As at December 31, 2022		
	Unweighted value by residual maturity No maturity* < 6 months	6 months to < 1yr	≥ 1yr	Unweighted value by residual maturity No maturity* < 6 months	6 months to < 1yr	≥ 1yr
<b>ASF Item</b>						
1 Capital: (2+3)	406,736.64	-	139,412.00	395,524.35	-	139,412.00
2 Regulatory capital	406,736.64	-	103,106.80	395,524.35	-	114,706.80
3 Other capital instruments	-	-	36,305.20	-	-	24,705.20
4 Retail deposits and deposits from small business customers: (5+6)	390,832.05	446,751.12	21,303.22	387,171.31	436,534.82	17,668.22
5 Stable deposits	-	-	-	-	-	-
6 Less stable deposits	390,832.05	446,751.12	21,303.22	387,171.31	436,534.82	17,668.22
7 Wholesale funding: (8+9)	254,712.03	456,792.08	217,373.20	229,179.32	521,456.21	14,596.13
8 Operational deposits	111,259.77	-	-	125,297.17	-	-
9 Other wholesale funding	143,452.26	456,792.08	217,373.20	103,882.15	521,456.21	14,596.13
10 Other liabilities: (11+12)	387,325.55	512.05	301,850.17	360,627.70	-	290,470.66
11 NSFR derivative liabilities	-	512.05	-	-	-	-
12 All other liabilities and equity not included in the above categories	387,325.55	-	301,850.17	360,627.70	-	290,470.66
13 Total ASF (1+4+7+10)			2,388,211.20			2,308,320.70
<b>RSF Item</b>						
14 Total NSFR high-quality liquid assets (HQLA)			36,465.60			34,655.10
15 Deposits held at other financial institutions for operational purposes	3,226.77	-	-	7,897.29	-	-
16 Performing loans and securities: (17+18+19+21+23)	-	526,069.99	178,665.27	-	503,951.91	164,617.07
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	14,100.00	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	81,475.47	3,711.38	-	80,878.22	1,592.15
			70,533.89			36,032.64
			84,610.90			48,960.60

# Standalone Financial Statements

For the year ended March 31, 2023

Particulars	As at March 31, 2023				As at December 31, 2022			Weighted value	
	Unweighted value by residual maturity		No maturity* ≥ 1yr	Weighted value	Unweighted value by residual maturity		No maturity* ≥ 1yr		
	< 6 months	6 months to < 1yr			< 6 months	6 months to < 1yr			
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:									
19	444,097.38	174,130.17	1,103,426.34	1,227,410.31	-	408,627.16	162,346.26	1,120,762.76	1,216,283.98
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	47,651.18	3,807.59	98,079.29	89,480.92	-	55,553.46	24,791.36	109,255.36	111,188.39
20									
21	497.14	823.72	193,717.97	157,047.54	-	346.53	678.66	147,899.47	119,167.15
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	7.91	12.92	108,546.56	70,576.10	-	5.41	7.25	85,021.45	55,276.60
22									
23	-	-	39,729.82	33,770.35	-	-	-	43,635.60	37,090.26
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities									
24	537,971.30	70,621.05	-	582,663.40	530,974.77	113,169.74	-	-	572,924.60
25									
Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	17,992.21	-	-	15,293.38	-	4,630.19	-	-	3,935.66
26									
27	-	-	-	-	-	3,234.96	-	-	3,234.96
NSFR derivative assets									
28	1,586.61	-	-	1,586.61	-	4,767.84	-	-	4,767.84
NSFR derivative liabilities before deduction of variation margin posted									
29	537,971.30	51,042.23	-	565,783.41	530,974.77	100,536.75	-	-	560,986.14
All other assets not included in the above categories									
30	524,741.74	200,161.23	120,475.59	419,523.09	489,206.46	228,059.05	102,336.88	398,509.63	46,327.49
Off-balance sheet items									
31				2,172,023.36					2,079,357.82
Total RSF									
32				109.95%					111.01%
Net Stable Funding Ratio (%)									

# Standalone Financial Statements

For the year ended March 31, 2023

Particulars	As at September 30, 2022				As at June 30, 2022			
	Unweighted value by residual maturity		Weighted value	No maturity*	Unweighted value by residual maturity		Weighted value	No maturity*
	< 6 months	≥ 1yr			< 6 months	≥ 1yr		
<b>ASF Item</b>								
1 <b>Capital: (2+3)</b>	348,123.47	-	139,412.00	487,535.50	346,717.72	-	139,412.00	486,129.70
2 Regulatory capital	348,123.47	-	122,706.80	470,830.30	346,717.72	-	123,815.20	470,532.90
3 Other capital instruments	-	-	16,705.20	16,705.20	-	-	15,596.80	15,596.80
<b>Retail deposits and deposits from small business customers: (5+6)</b>	<b>365,289.32</b>	<b>409,326.94</b>	<b>122,214.00</b>	<b>822,989.90</b>	<b>336,848.44</b>	<b>126,145.97</b>	<b>106,071.08</b>	<b>755,664.20</b>
5 Stable deposits	-	-	-	-	-	-	-	-
6 Less stable deposits	365,289.32	409,326.94	122,214.00	822,989.90	336,848.44	126,145.97	106,071.08	755,664.20
7 <b>Wholesale funding: (8+9)</b>	<b>241,423.71</b>	<b>436,624.51</b>	<b>189,174.72</b>	<b>447,819.20</b>	<b>237,482.31</b>	<b>323,831.88</b>	<b>235,578.95</b>	<b>470,021.90</b>
8 Operational deposits	97,019.45	-	-	48,509.70	107,393.06	-	-	53,696.50
9 Other wholesale funding	144,404.26	436,624.51	189,174.72	399,309.50	130,089.25	323,831.88	235,578.95	416,325.40
10 <b>Other liabilities: (11+12)</b>	<b>425,723.39</b>	<b>3,318.90</b>	<b>266,639.03</b>	<b>391,068.50</b>	<b>378,673.30</b>	<b>66,068.86</b>	<b>284,643.99</b>	<b>411,335.70</b>
11 NSFR derivative liabilities	-	3,318.90	-	-	-	2,285.85	-	-
12 All other liabilities and equity not included in the above categories	425,723.39	-	266,639.03	391,068.50	378,673.30	63,783.01	189,600.46	411,335.70
<b>13 Total ASF (1+4+7+10)</b>				<b>2,149,413.10</b>				<b>2,123,151.50</b>
<b>RSF Item</b>								
14 Total NSFR high-quality liquid assets (HQLA)				<b>26,681.00</b>				<b>26,947.10</b>
15 Deposits held at other financial institutions for operational purposes	<b>7,455.64</b>	-	-	<b>3,727.82</b>	-	-	-	-
16 <b>Performing loans and securities: (17+18+19+21+23)</b>	<b>-</b>	<b>451,802.20</b>	<b>1,223,208.39</b>	<b>1,319,917.44</b>	<b>-</b>	<b>434,605.78</b>	<b>1,308,707.79</b>	<b>1,369,041.20</b>
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	57,949.32	2,992.95	41,255.11	-	37,889.99	889.35	37,369.67
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	393,848.91	184,234.33	1,176,314.02	-	396,709.60	1,052,564.05	1,149,908.68

# Standalone Financial Statements

For the year ended March 31, 2023

Particulars	As at September 30, 2022				As at June 30, 2022				Weighted value	
	Unweighted value by residual maturity		Weighted value	Unweighted value by residual maturity		Weighted value				
	No maturity* < 6 months	≥ 1yr to < 1yr		No maturity* < 6 months	≥ 1yr to < 1yr					
20	-	52,930.48	24,628.10	106,921.33	108,278.15	-	90,436.52	13,119.86	102,267.36	118,251.98
21	-	3.97	8.37	104,896.60	86,846.16	-	6.19	11.55	78,148.60	57,022.24
22	-	3.97	8.37	51,607.94	33,557.50	-	6.19	10.96	60,411.73	39,284.78
23	-	-	-	18,237.82	15,502.15	-	-	-	146,753.65	124,740.61
24	<b>462,738.57</b>	<b>149,076.85</b>	<b>424.95</b>	<b>50,236.33</b>	<b>618,335.56</b>	<b>265,097.93</b>	<b>172,696.88</b>	<b>1,170.52</b>	<b>60,892.84</b>	<b>433,345.11</b>
25	-	-	-	-	-	-	-	-	-	-
26	-	19,971.97	-	-	16,976.17	-	14,782.86	-	-	12,565.43
27	-	-	-	-	-	-	-	-	-	-
28	-	5,977.77	-	-	5,977.77	-	5,140.55	-	-	5,140.55
29	-	462,738.57	123,127.11	424.95	50,236.33	595,381.62	265,097.93	1,170.52	60,892.84	415,639.13
30	<b>453,399.44</b>	<b>191,520.11</b>	<b>103,974.84</b>	<b>393,367.32</b>	<b>43,335.84</b>	<b>1,102,765.58</b>	-	-	-	<b>41,555.05</b>
31	<b>Total RSF</b>				<b>2,011,997.66</b>					<b>1,870,888.46</b>
32	<b>Net Stable Funding Ratio (%)</b>				<b>106.83%</b>					<b>113.48%</b>

# Standalone Financial Statements

For the year ended March 31, 2023

Particulars	As at March 31, 2022				As at December 31, 2021			
	Unweighted value by residual maturity		Weighted value		Unweighted value by residual maturity		Weighted value	
	No < 6 months maturity*	6 months to < 1yr	≥ 1yr		No < 6 months maturity*	6 months to < 1yr	≥ 1yr	
<b>ASF Item</b>								
1 <b>Capital: (2+3)</b>	470,121.60	-	14,506.80	484,628.40	470,797.10	-	8,906.80	479,703.90
2 Regulatory capital	470,121.60	-	-	470,121.60	470,797.10	-	-	470,797.10
3 Other capital instruments	-	-	14,506.80	14,506.80	-	-	8,906.80	8,906.80
4 <b>Retail deposits and deposits from small business customers: (5+6)</b>	330,830.30	120,169.80	114,035.50	508,532.04	317,563.50	117,888.10	123,113.20	502,708.32
5 Stable deposits	-	-	-	-	-	-	-	-
6 Less stable deposits	330,830.30	120,169.80	114,035.50	508,532.04	317,563.50	117,888.10	123,113.20	502,708.32
7 <b>Wholesale funding: (8+9)</b>	248,459.40	326,814.50	200,952.80	501,732.85	206,769.90	300,990.30	173,502.50	435,244.85
8 Operational deposits	109,829.30	-	-	54,914.65	91,297.10	-	-	45,648.55
9 Other wholesale funding	138,630.10	326,814.50	200,952.80	446,818.20	115,472.80	300,990.30	173,502.50	389,596.30
10 <b>Other liabilities: (11+12)</b>	379,439.81	37,326.95	236,970.91	677,032.82	372,398.71	71,276.28	184,564.35	680,198.23
11 NSFR derivative liabilities	-	2,418.79	-	-	877.96	-	-	-
12 All other liabilities and equity not included in the above categories	379,439.81	34,908.16	236,970.91	677,032.82	372,398.71	70,398.32	184,564.35	680,198.23
13 <b>Total ASF (1+4+7+10)</b>				2,171,926.11				2,097,855.30
<b>RSF Item</b>								
14 Total NSFR high-quality liquid assets (HQLA)				21,331.91				21,355.15
15 Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-
16 <b>Performing loans and securities: (17+18+19+21+23)</b>	87,465.45	448,798.66	179,738.50	512,535.92	91,260.12	528,719.50	114,256.42	323,877.01
17 Performing loans to financial institutions secured by Level 1 HQLA	13,670.90	-	-	2,050.64	14,021.29	-	-	2,103.19
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	56,033.40	1,204.38	-	9,007.20	58,586.11	6,105.69	-	11,840.76
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	17,761.15	401,974.61	130,596.89	275,166.32	18,652.73	449,684.86	92,346.14	280,341.87



# Standalone Financial Statements

For the year ended March 31, 2023

Particulars	As at March 31, 2022				As at December 31, 2021			
	Unweighted value by residual maturity		Weighted value	Unweighted value by residual maturity		Weighted value	Unweighted value by residual maturity	
	No < 6 months maturity*	6 months to < 1yr		No maturity*	< 6 months to < 1yr		≥ 1yr	≥ 1yr
20	-	-	69,594.42	-	-	-	184,394.30	119,856.29
21	-	-	35,317.34	-	-	-	40,838.21	26,544.84
22	-	-	35,317.34	-	-	-	40,838.21	26,544.84
23	-	45,619.68	121,400.01	-	72,928.94	21,910.27	57,806.30	129,748.69
24	<b>527,209.13</b>	<b>17,549.38</b>	<b>1,249,174.57</b>	<b>831,360.49</b>	<b>528,735.41</b>	<b>15,917.18</b>	<b>707,679.54</b>	<b>1,144,142.06</b>
25	-	-	-	-	-	-	-	-
26	14,935.71	-	12,695.35	-	13,587.60	-	-	11,549.46
27	-	-	-	-	-	-	-	-
28	2,613.67	-	2,613.67	-	2,329.58	-	-	2,329.58
29	527,209.13	-	1,233,865.55	831,360.49	528,735.41	-	707,679.54	1,130,263.02
30	<b>1,062,579.34</b>	-	<b>39,876.38</b>	-	<b>1,044,012.72</b>	-	-	<b>39,459.49</b>
31	<b>Total RSF</b>		<b>1,822,918.78</b>		<b>1,775,392.34</b>			<b>1,775,392.34</b>
32	<b>Net Stable Funding Ratio (%)</b>		<b>119.15%</b>		<b>118.16%</b>			<b>118.16%</b>

# Standalone Financial Statements

For the year ended March 31, 2023

## Qualitative Disclosure:

The Basel Committee on Banking Supervision (BCBS) proposed reforms to strengthen global capital and liquidity regulations with the objective of promoting a more resilient banking sector in the backdrop of global financial crisis in 2007. Net Stable Funding Ratio (NSFR) was one of the important reform proposed in order to ensure resilience of the Banks over a longer term and stable liabilities to fund their business activities. NSFR was subsequently prescribed by the RBI to enhance resilience of the Indian Banking system.

NSFR ensures that the bank has sufficient stable funding available to fulfill the funding requirements by restricting the reliance on unstable short-term funding to finance potentially illiquid long-term assets. NSFR reduces long-term refinancing risk over longer-term time horizon (over 1 year) of the Bank by measuring the extent of stable sources of funds with the Bank to fund its long term assets.

Net Stable Funding Ratio (NSFR) is defined as amount of Available Stable Funding (ASF) to fulfil the amount of Required Stable Funding (RSF).

- ✓ Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over 1 year period. The amount of available stable funding is a function of the source and type of liability along with residual maturities of the various liabilities.
- ✓ Required stable funding (RSF) is defined as the funding required for assets and off-balance sheet exposures over 1 year period. The amount of required stable funding is a function of the underlying liquidity characteristics and residual maturities of the various assets.

NSFR was implemented w.e.f. October 01, 2021 by the RBI with stipulation of minimum NSFR maintenance at 100%.

The Bank has implemented robust process to compute and report the NSFR in line with regulatory guidelines and is monitored at consolidated level. The Bank endeavors to meet the NSFR requirement and adequacy of NSFR remains a conscious strategy of the Bank. The Bank has placed stringent threshold as risk appetite for maintenance of NSFR to maintain sufficient liquidity and compliance to NSFR on an ongoing basis.

The Board of Directors of the Bank have empowered Asset Liability Management Committee i.e. ALCO (Top Management Executive Committee) to monitor and strategize the Balance Sheet profile of the Bank within overall Board approved Strategic and Risk framework. In line with the business strategy, ALCO forms an Interest Rate/Liquidity view for the bank with the help of the economic analysis. ALCO of the Bank channelizes various business segments of the Bank to target good quality asset and liability profile to achieve an optimal funding mix which is consistent with prudent liquidity, diversity of sources and servicing costs and meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank. BSMG (Balance Sheet Management Group) of the Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis as per ALCO guidance.

NSFR as at March 31, 2023 is 109.95% (as at March 31, 2022 was 119.15%), which is well above the minimum regulatory requirement of 100%.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.62 Intra-Group Exposures to Subsidiaries

The Bank has one subsidiary "YES Securities (India) Limited".

Below mentioned are details of Intra-Group Exposure as at March 31, 2023 and March 31, 2022.

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of intra-group exposures	2,450	2,950
Total amount of top-20 intra-group exposures	2,450	2,950
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers (%)	0.06%	0.08%

During the year ended March 31, 2023 and March 31, 2022, the intra-group exposures were within the limits specified by RBI.

## 17.5.63 Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of the amount transferred to DEAF	119.10	77.75
Add: Amounts transferred to DEAF during the year	87.60	44.02
Less: Amounts reimbursed by DEAF towards claims	2.94	2.67
Closing balance of amounts transferred to DEAF	203.76	119.10

## 17.5.64 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, 2023 and year ended March 31, 2022 has been transferred without any delay.

## 17.5.65 Marketing and distribution

The Bank has received a fee of ₹ 1,489.13 million in respect of the marketing and distribution function (excluding bancassurance business) during the year ended March 31, 2023 (Previous year: ₹ 1,370.70 million).

## 17.5.66 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Indian Accounting Standards ('Ind AS'), as notified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, have been formulated keeping the Indian economic and legal environment in view and with a view to converge with IFRS Standards. The RBI through its notification No. RBI/2018-2019/146 DBR.BP.BC. No.29/21.07.001/ 2018-19 dated March 22, 2019 on "Deferral of Implementation of Indian Accounting Standards (Ind AS)" notified to all the scheduled commercial banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI has decided to defer the implementation of Ind AS till further notice.

# Standalone Financial Statements

For the year ended March 31, 2023

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

- The Bank is submitting half yearly Proforma Ind AS financial statements to the RBI
- Formed Steering Committee for Ind AS implementation ('the Ind AS Steering Committee'). The Ind AS Steering Committee comprises Group 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 Ind AS Steering Committee oversees the progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Ind AS Steering Committee closely reviews progress of the implementation.
- The Ind AS Steering Committee gives updates to the Audit Committee of the Board and to the Board on preparedness for migration to Ind AS on a periodic basis.
- The Bank will continue to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation.

## 17.5.67 Payment of DICGC Insurance Premium

(₹ in million)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
i)	Payment of DICGC Insurance Premium	2,636.23	2,135.10
ii)	Arrears in payment of DICGC premium	-	-

During the year ₹ 2,234.09 million (previous year ₹ 1,809.41 million) charged to P&L on accrual basis.

## 17.5.68 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 ₹ 912.37 million (previous year of ₹ 850.90 million) and additional capital of ₹ 2,876.74 million (previous year of ₹ 2,199.25 million) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2023.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.69 Provisioning pertaining to Fraud Accounts

The details on the number and amount of frauds as well as the provisioning thereon are given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Number of frauds reported <sup>§</sup>	116	283
Amount involved in fraud (₹ million)	3,041.91	68,747.98
Amount of provision made for such frauds (₹ million) <sup>#</sup>	1,412.56	54,212.13
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ million) <sup>*</sup>	1,279.58	4,752.16

<sup>§</sup> does not include digital payments related frauds

<sup>#</sup> Excludes amount written-off.

<sup>\*</sup> With respect to two borrower accounts classified as fraud the Bank has transferred ₹ 1,279.58 million to Revenue and other Reserves on account of unamortised fraud provision in terms of RBI circular DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021 (Previous year: ₹ 4752.16 million).

## 17.5.70 Disclosure of complaints

### A. Summary information on complaints received by the Bank from customers and from the Offices of Ombudsman ('OOOs')

Sr. No	Particulars	FY 2022-23	FY 2021-22
<b>Complaints received by the bank from its customers</b>			
1	Number of complaints pending at beginning of the year	1,451	1,354
2	Number of complaints received during the year	62,704	47,188
3	Number of complaints disposed during the year	62,058	47,091
3.1	Of which, number of complaints rejected by the bank	6,159	4,000
4	Number of complaints pending at the end of the year	2,097	1,451
<b>Maintainable complaints received by the bank from OOOs</b>			
5	Number of maintainable complaints received by the bank from OOOs	1,930*	2,847
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	863	2,741
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by BOs	1,066	106
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	1	1
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme 2021 and covered within the ambit of the Scheme.

<sup>\*</sup> Basis clarification/logic shared by CEPD officials to consider "Complaints disposed against the Bank" as "Maintainable Complaints" received by the bank.

Auditors have relied upon the information presented by management as above.

# Standalone Financial Statements

For the year ended March 31, 2023

## B. Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>FY 2023</b>					
ATM/Debit Cards	496	19,088	12%	534	44
Internet/Mobile/Electronic Banking	766	23,796	60%	1,141	90
Loans and advances	85	5,901	0.40%	112	0
Credit Cards	9	4,828	198%	125	0
Account opening/difficulty in operation of accounts	4	422	1%	7	0
Others	91	8,669	18%	178	0
<b>Total</b>	<b>1,451</b>	<b>62,704</b>	<b>33%</b>	<b>2,097</b>	<b>134</b>
<b>FY 2022</b>					
Internet/Mobile/Electronic Banking	671	17,102	(28%)	496	68
ATM/Debit Cards	464	14,830	(41%)	766	79
Loans and advances	109	5,878	16%	85	-
Credit Cards	10	1,622	24%	9	-
Account opening/difficulty in operation of accounts	3	417	(36%)	4	-
Others	97	7,339	2%	91	-
<b>Total</b>	<b>1,354</b>	<b>47,188</b>	<b>(25%)</b>	<b>1,451</b>	<b>147</b>

The above is based on the information available with the Bank which has been relied upon by the auditors.

### 17.5.71 Dues to Micro, Small and Medium 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 ₹ 803.62 million (previous year ₹ 1,046.93 million) worth bills which were paid with delays to micro and small enterprises. There have been ₹ 2.84 million worth bills remained unpaid with delays as at March 31, 2023 (Previous year: ₹ 17.42 million). There have been no demand of interest on these payments.

The above is based on the information available with the Bank which has been relied upon by the auditors.

### 17.5.72 Securitization Transactions (separate table if there is any securitized transactions)

The Bank has not done any securitization transactions during the year ended March 31, 2023 and March 31, 2022. Hence requirement of master direction of Securitisation of Standard Assets dated September 24, 2021 is not applicable.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.73 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, 2023 and March 31, 2022.

## 17.5.74 Software Capitalized under Fixed Assets

The Bank has capitalized software under Fixed Asset amounting to ₹ 2,170.35 million and ₹ 1,043.53 million during the financial year ended March 31, 2023 and March 31, 2022 respectively.

(₹ in million)

Particulars	As at	
	March 31, 2023	March 31, 2022
At cost at March 31 <sup>st</sup> of preceding year	9296.41	8,252.88
Additions during the year	2,170.35	1,043.53
Deductions during the year	-	-
Depreciation to date	(8,280.62)	(6,856.91)
<b>Net block</b>	<b>3,186.14</b>	<b>2,439.50</b>

## 17.5.75 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.

## 17.5.76 PSLCs sold and purchased during the year ended March 31, 2023 and March 31, 2022

(₹ in million)

Particulars	2022-23		2021-22	
	Purchased	Sold	Purchased	Sold
PSLC - Agriculture	-	-	-	-
PSLC - SF/MF	-	-	138,265	-
PSLC - Micro Enterprises	-	-	-	-
PSLC - General	-	-	-	-

## 17.5.77 Other expenditure

Other expenditure includes IT related expenditure ₹ 5,972.31 million (Previous year: ₹ 4,107.14 million), Loan sourcing fees and Charges paid to Collection and Direct Sales Agents (DSA) ₹ 11,268.56 million (Previous year: ₹ 8,172.86 million), Professional Fees and Commission ₹ 5,723.46 million (Previous year: ₹ 3,312.30 million) exceeding 1% of total income.

# Standalone Financial Statements

For the year ended March 31, 2023

## 17.5.78 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 (DEAF), bill re-discounting, Foreign Exchange Contracts (Tom & Spot), Custodian operations, Undrawn partial credit enhancement facilities, When Issued ('WI') securities.

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 M P Chitale & Co

Chartered Accountants

Firm's Registration No: 101851W

#### For and on behalf of the Board of Directors

**YES BANK Limited**

CIN: L65190MH2003PLC143249

#### Anagha Thatte

Partner

Membership No. 105525

#### Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

#### Sanjay Khemani

Director

(DIN: 00072812)

#### Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

#### For Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

#### Vineet Saxena

Partner

Membership No. 100770

#### Rajan Pentel

Director

(DIN: 08432870)

#### Niranjan Banodkar

Chief Financial Officer

#### Shivanand R. Shettigar

Company Secretary

Mumbai

April 22, 2023



# Independent Auditors' Report

To the Members of  
YES BANK Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of YES BANK Limited (hereinafter referred to as the 'Bank' or 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 the significant accounting policies and other explanatory information (hereinafter referred to as the 'Consolidated Financial Statements'/'Statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') and circulars and guidelines issued by the Reserve Bank of India, 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, including the Accounting Standards prescribed under section 133 of the Act, read with Companies (Accounting Standards)

Rules, 2021 as amended to the extent applicable, of the consolidated state of affairs of the Bank as at March 31, 2023, and its consolidated profit, and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	Auditor's Response
<p><b>Income Recognition and Asset Classification of Advances and Investments (IRAC) and Provisioning as per regulatory norms</b></p> <p>Please refer to schedule 8 and schedule 9, read with relevant notes relating to provisions and contingencies, disclosures with regard to Non Performing Investments (NPI) and Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions respectively.</p> <p>As required under prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to investments as well as those pertaining to advances, "Resolution framework for Covid-19 related Stress" (the "Resolution Framework") issued by the RBI on August 06, 2020 and May 05, 2021 and relevant other circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2023, classifies advances into performing and non-performing advances (NPA) which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to investments and advances. In particular:</p> <ul style="list-style-type: none"> <li>We have evaluated the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to investments and advances;</li> <li>We have tested key IT systems/ applications used and their design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification viz., standard, sub-standard, doubtful and loss with reference to their days-past-due (DPD) status (including consideration of non-financial parameters of NPA, including sufficiency of credits in working capital loans, restructuring guidelines, the Regulatory Package and Resolution framework) and provisioning pertaining to investments and advances;</li> </ul>

Key Audit Matters	Auditor's Response
<b>Income Recognition and Asset Classification of Advances and Investments (IRAC) and Provisioning as per regulatory norms</b>	
<p>The Bank, as per its governing framework, made the performing and non-performing advances provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under RBI guidelines.</p> <p>The Classification, Provisioning and Write off of Advances including Investments is a Key Audit Matter as the Bank has significant credit risk exposure to a large number of borrowers across various sectors, products, industries and geographies and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, nature of transactions and estimation of provisions thereon and identification of accounts to be written off.</p>	<ul style="list-style-type: none"> <li>• We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines;</li> <li>• We have selected restructured accounts on sample basis and tested their compliance with relevant RBI guidelines;</li> <li>• For the selected non-performing advances, we assessed Management's forecast and inputs of recoverable cash flows, borrower's audited financial statements, valuation of underlying security and collaterals, estimation of recoverable amounts on default and other sources of repayment;</li> <li>• Reviewed Bank's policy including Standard Operating Procedures with respect to implementation of Regulatory package and Resolution framework ('guidelines') and tested samples to ascertain the implementation of those guidelines by the Bank.</li> </ul> <p><b>Provisions for advances:</b></p> <ul style="list-style-type: none"> <li>• Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning;</li> <li>• Tested the completeness and accuracy of data transferred from underlying source systems used for computing collective provision;</li> <li>• We had undertaken the walkthrough for the automated E-NPA system and tested the core functionality for selected sample considering the audit universe.</li> <li>• Validated the parameters used to calculate collective provisions with reference to IRAC norms, and Regulatory Package;</li> <li>• Tested provision created for fraud accounts as at March 31, 2023 as per the RBI circular;</li> <li>• Re-performed, for a sample of retail and corporate portfolios, as part of our substantive audit procedures the calculation of provisions, to determine the accuracy of the same; (Collective for standard portfolio and case specific for non performing portfolio)</li> <li>• Assessed the adequacy of disclosures against the RBI Guidelines</li> </ul>
<b>Key Audit Matter on Sale of Stressed Loans to Asset Reconstruction Company</b>	
<p>Please refer to Note No. 17.6.5 relating to Sale of Stressed Loans. As mentioned therein pursuant to the conclusion of the Swiss Challenge process, the Board of Directors of the Bank, at their meeting held on September 20, 2022, approved JC Flowers Asset Reconstruction Private Ltd. ('JCF ARC') for sale of identified stressed loans of the Bank aggregating up to ₹ 4,80,000 million as at March 31, 2022.</p> <p>The gross value of exposures transferred to JCF ARC was ₹ 437,158 million, which included exposures worth ₹ 151,981 million earlier written-off by the Bank. The net book value ('NBV') of exposures in the Bank's books as on the date of assignment was ₹ 49,818 million and the final consideration received was ₹ 80,459 million under 15:85 cash and security receipts structure</p>	<p>Our Audit procedures with respect to this matter inter-alia involved an understanding of sale of stressed loan portfolio by the Bank to JCF ARC keeping in view the requirements as per Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 ('Master Directions'), as amended on December 05, 2022. Our substantive audit procedures includes:</p> <ul style="list-style-type: none"> <li>• Inquiry with the senior management to understand the structure of the transaction</li> <li>• Perusal of various documents viz. term sheet, agreements, trust deeds, confirmations received / executed by the Bank</li> <li>• Review of relevant internal/external documents / records / reports</li> <li>• Perusal of noting made in minutes of Board &amp; its Committees with respect to sale of loan portfolio to JCF ARC</li> </ul>

Key Audit Matters	Auditor's Response
<b>Key Audit Matter on Sale of Stressed Loans to Asset Reconstruction Company</b>	
<p>The Bank has also acquired 9.9% equity shareholding in JCF ARC and applied to RBI for increase of stake in JCF ARC from 9.9% to up to 19.9%.</p> <p>We have identified this transaction as a Key Audit Matter considering its materiality with reference to gross book value of the stressed assets transferred and complexity.</p>	<ul style="list-style-type: none"> <li>• Reviews of compliance with the aforesaid Master Directions with respect to transfer of loan exposure inter-alia basis check-list prepared by the Bank</li> <li>• List of Corporate Loans identified by the Bank for sale to ARC vis-à-vis allocation of these accounts amongst various trusts of JCF ARC</li> <li>• Procedure for pool identification in case of the retail loan portfolio sold to ARC</li> <li>• Accounting for the transfer of loan exposure, its provisioning and receipt of Cash and Security Receipts</li> <li>• Valuation of Security Receipts at reporting dates, keeping in view the clarification sought by the Bank from RBI</li> <li>• Assessed the adequacy of disclosures as per RBI Guidelines</li> </ul>
<b>IT Systems and Controls over financial reporting</b>	
<p>The Bank's key financial accounting and reporting processes are highly dependent on Core Banking and Treasury Solutions and other supporting software and hardware controls. The volume of transactions processed and recorded is huge. Moreover, a transaction may be required to be recorded across multiple applications depending upon the process and each application has different rules and a different set of user access and authority matrix. These applications are interlinked using different technologies so that data transfer happens in real time or at a particular time of the day; in batches or at a transaction level and in an automated manner or manually. The Core Banking Solution (CBS) itself has many interfaces, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Bank has a process for identifying the applications where the controls are embedded. It also has a process to ensure that systems, processes and controls remain relevant and updated. The Bank's IT control framework includes automated, semi-automated and manual controls designed to address identified risks. IT controls are stated in Entity Level Controls (ELC), IT General Controls (ITGC) and IT Application Controls (ITAC). Such controls contribute to risk mitigation of erroneous output data.</p> <p>We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology, the IT environment is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.</p>	<ul style="list-style-type: none"> <li>• We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. As part of our IT controls testing, we have tested ITGC as well as ITAC for selected critical applications. The focus of testing of ITGCs was based on the various parameters such as Completeness, Validity, Identification/ Authentication, Authorization, Integrity and Accountability. On the other hand, focus of testing automated controls from applications was whether the controls prevent or detect unauthorized transactions and support financial objectives including completeness, accuracy, authorization and validity of transactions. The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. The areas for improvement as and when noticed are communicated for suitable actions to the Bank as part of our audit. The corrective steps / alternate controls deployed by the Bank are tested on sample basis.</li> <li>• In ITGC testing, on sample basis, we reviewed control areas such as User Management, Change Management, Systems Security, Cyber Security, Interface Testing, deployment of new applications, Incident Management, Physical &amp; Environmental Security, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement.</li> <li>• For ITAC, we carried out on sample basis, compliance tests of system functionality in order to assess the accuracy of system calculations. We also carried out procedures such as validations and limit checks on data entered into applications, approvals, process dependencies, restriction on time period in which transactions may be recorded and GL mapping for financial accounting.</li> <li>• We tested the control environment using various techniques such as inquiry, walkthroughs in live environment, testing in UAT environment, review of documentation / record / reports, observation and re-performance. We had taken adequate samples of instances for our tests considering the audit universe.</li> <li>• Wherever deviations were noted either the same were explained to our satisfaction or we tested compensating controls and performed alternate procedures, where necessary, to draw comfort.</li> <li>• In addition, we have also relied on IS audit conducted by internal audit department, and also the testing of Internal Financial Control conducted by the Operational Risk Management department of the Bank.</li> </ul>

Key Audit Matters	Auditor's Response
<p><b>Recognition and Measurement of Deferred Tax Asset</b></p> <p>The Bank has recognized a net deferred tax asset of ₹ 89,412 million as at March 31, 2023, including net decrease of ₹ 2,431 million during the year.</p> <p>Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future and also considering probable impact of Covid-19 pandemic.</p> <p>The amount of deferred tax assets recognized presumes availability and forecasting of profits over an extended period of time thus increasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures involved gaining an understanding of the applicable tax laws and relevant regulations applicable to the Bank. We performed the following audit procedures as part of our controls testing:</p> <ul style="list-style-type: none"> <li>• Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income;</li> <li>• Assessed the probability of the availability of future taxable profits based on assumptions and other parameters used by the Management including the probable impact of Covid-19 pandemic against which the Bank will be able to use this deferred tax asset in the future with reference to forecast as noted by the Board of Directors while adopting the consolidated financial statements.</li> <li>• Assessed the method for determining the Deferred Tax Asset with reference to applicable tax rates and tested the arithmetical accuracy.</li> </ul>

### Information other than the consolidated financial statements and Auditor's Report thereon

The Bank's management and Board of Directors are responsible for the Other Information. The other information comprises the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and the Pillar 3 Disclosures under the New Capital Adequacy Framework (Basel III disclosures) (collectively called as "Other Information") but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Bank's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standard) Rules 2021, as amended to the extent applicable, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time, as applicable to the Bank. The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company in 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Director'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried

out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matter' in this audit report.

- We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- a) The Financial Statements of YES Securities (India) Limited, included in the Statement, reflects Group's share of total assets of ₹ 7,308 million as at March 31, 2023, Group's share of total revenue of ₹ 2,190 million and Group's share of total net profit after tax of ₹ 184 million for the year ended March 31, 2023 respectively. This financial statements have been audited by its independent auditor. The independent auditor's report on financial statements of this entity has been furnished to us

and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

#### Report on other legal and regulatory requirements

- 1) The consolidated balance sheet and the consolidated profit and loss account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules issued thereunder.
- 2) 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 such subsidiary as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 by the Bank 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, read with Companies (Accounting Standard) Rules, 2021, as amended, 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 Bank as at March 31, 2023, taken on record by the Board of Directors of the Bank and the report of the statutory auditor of its subsidiary company, none of the directors of the Group is disqualified as at March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary as noted in the 'Other Matters' paragraph:
- (a) the consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group - Refer Note No. 17.6.19 and 17.6.22 to the consolidated financial statements;
  - (b) 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 No. 17.6.15 to the consolidated financial statements;
  - (c) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2023 - Refer Note No. 17.6.20 to the consolidated financial statements.
- (d) (i) The management of the Bank and its respective subsidiary have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, (Refer Note No. 17.6.21 no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or its subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or its subsidiary companies ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii) The management of the Bank and its respective subsidiary have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (Refer Note No. 17.6.21 no funds have been received by the Bank or its subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, the Bank or its subsidiary company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,; and
  - (iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

- (e) No dividend has been declared or paid during the year by the Bank and its subsidiary.
- (f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and its subsidiary with effect from April 01, 2023; and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended March 31, 2023.

With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, in our opinion and according to the information and explanations given to us, requirements with respect to the matter to be included in the Auditor's Report under section 197(16) are not applicable to banking companies.

Based on the reports of the statutory auditor of the subsidiary company which was not audited by us, the remuneration paid during the current year by the subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the subsidiary company is not in excess of the limit laid down under Section 197 of the Act.

**For M P Chitale & Co.**

Chartered Accountants  
(Firm Regn. No. 101851W)

**Anagha Thatte**

Partner  
(Membership No. 105525)  
UDIN: 23105525BGVABB6956

Place: Mumbai  
Date: April 22, 2023

**For Chokshi & Chokshi LLP**

Chartered Accountants  
(Firm Regn.No.101872W/W100045)

**Vineet Saxena**

Partner  
(Membership No. 100770)  
UDIN: 23100770BGXLP5888

Place: Mumbai  
Date: April 22, 2023



## Annexure A to the Independent Auditor's Report

of even date on the consolidated financial statements of YES BANK Limited for the year ended March 31, 2023

**(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of YES BANK Limited on the consolidated financial statements for the year ended March 31, 2023)**

### **Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to consolidated financial statements of YES BANK Limited ("the Bank") and its subsidiary company, which are companies incorporated in India as at March 31, 2023, in conjunction with our audit of the consolidated financial statements of the Bank for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements criteria established by the Bank and respective companies 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Bank and its subsidiary company, which are companies incorporated in

India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Bank and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to consolidated financial statement includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statement 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 (the Bank) and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2023, with reference to consolidated financial statements criteria established by the Bank and its subsidiary company considering the essential components of internal control stated in the Guidance Note.

### Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary company, is based on the corresponding report of the auditor of this company.

Our opinion is not modified in respect of this matter.

#### For M P Chitale & Co.

Chartered Accountants  
(Firm Regn. No. 101851W)

#### Anagha Thatte

Partner  
(Membership No. 105525)  
UDIN: 23105525BGVABB6956

Place: Mumbai

Date: April 22, 2023

#### For Chokshi & Chokshi LLP

Chartered Accountants  
(Firm Regn. No. 101872W / W100045)

#### Vineet Saxena

Partner  
(Membership No. 100770)  
UDIN: 23100770BGXLP5888

Place: Mumbai

Date: April 22, 2023

# Consolidated Balance Sheet

as at March 31 2023

(₹ in thousands)

	Schedule	As at March 31, 2023	As at March 31, 2022
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	57,509,551	50,109,906
Share Warrants Subscription Money	Note 17.6.2	9,483,918	-
Reserves and surplus	2	340,188,289	286,879,780
Minority Interest	2A	-	-
Deposits	3	2,173,821,930	1,970,625,763
Borrowings	4	777,539,839	723,401,826
Other liabilities and provisions	5	193,497,814	154,760,078
<b>TOTAL</b>		<b>3,552,041,341</b>	<b>3,185,777,353</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	128,640,853	434,522,666
Balances with banks and money at call and short notice	7	64,919,235	32,959,359
Investments	8	767,492,974	517,539,857
Advances	9	2,032,365,452	1,809,590,101
Fixed assets	10	24,514,813	21,410,068
Other assets	11	534,108,014	369,755,302
Goodwill on Consolidation		-	-
<b>TOTAL</b>		<b>3,552,041,341</b>	<b>3,185,777,353</b>
Contingent liabilities	12	6,613,854,796	6,801,462,379
Bills for collection		174,132,625	49,919,078
Significant Accounting Policies and Notes to Accounts forming part of financial statements	17		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

The Balance Sheet has been prepared in conformity with Form A of the Third Schedule to the Banking Regulation Act, 1949

As per our report of even date attached.

**For M P Chitale & Co**  
Chartered Accountants  
Firm's Registration No: 101851W

**For and on behalf of the Board of Directors**  
**YES BANK Limited**  
CIN: L65190MH2003PLC143249

**Anagha Thatte**  
Partner  
Membership No. 105525

**Rama Subramaniam Gandhi** **Sanjay Khemani**  
Chairman Director  
(DIN: 03341633) (DIN: 00072812)

**Prashant Kumar**  
Managing Director & CEO  
(DIN: 07562475)

**For Chokshi & Chokshi LLP**  
Chartered Accountants  
Firm's Registration No: 101872W/W100045

**Vineet Saxena**  
Partner  
Membership No. 100770

**Rajan Pentel**  
Director  
(DIN: 08432870)

**Niranjan Banodkar**  
Chief Financial Officer

**Shivanand R. Shettigar**  
Company Secretary

Mumbai  
April 22, 2023

# Consolidated Profit & Loss Account

for the period ended March 31 2023

(₹ in thousands)

	Schedule	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I. INCOME</b>			
Interest earned	13	227,021,619	190,187,665
Other income	14	41,246,005	34,047,514
<b>TOTAL</b>		<b>268,267,624</b>	<b>224,235,179</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	147,997,602	125,284,351
Operating expenses	16	88,255,183	69,811,429
Provisions and contingencies (Refer note 17.6.5)		24,656,653	18,498,865
<b>TOTAL</b>		<b>260,909,438</b>	<b>213,594,645</b>
<b>III. PROFIT/(LOSS)</b>			
Share of earnings/loss in Associates			
Consolidated Net profit/(loss) for the year before deducting Minorities' Interest		7,358,186	10,640,534
<b>Less: Minorities' Interest</b>		-	-
Consolidated profit/(loss) for the year attributable to the Group		7,358,186	10,640,534
<b>Add: Brought forward consolidated profit/(loss) attributable to the group</b>		(107,567,593)	(109,299,952)
<b>TOTAL</b>		<b>(100,209,407)</b>	<b>(98,659,418)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		1,793,522	2,665,531
Transfer to Capital Reserve		31,666	108,307
Transfer to Investment Reserve		16,787	34,300
Transfer to Investment Fluctuation Reserve		2,358,763	1,347,886
Transfer to Revenue and other Reserves		(3,472,576)	4,752,161
Dividend paid for previous year		-	-
Balance carried over to balance sheet		(100,937,560)	(107,567,593)
<b>TOTAL</b>		<b>(100,209,397)</b>	<b>(98,659,408)</b>
Significant Accounting Policies and Notes to Accounts forming part of financial statements	17		
Earning per share (Refer Sch. 17.6.11)			
Basic (₹)		0.28	0.42
Diluted (₹)		0.28	0.42
(Face Value of Equity Share is ₹ 2/-)			

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

The Profit and Loss Account has been prepared in conformity with Form B of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

**For M P Chitale & Co**

Chartered Accountants

Firm's Registration No: 101851W

**For and on behalf of the Board of Directors**

**YES BANK Limited**

CIN: L65190MH2003PLC143249

**Anagha Thatte**

Partner

Membership No. 105525

**Rama Subramaniam Gandhi**

Chairman

(DIN: 03341633)

**Sanjay Khemani**

Director

(DIN: 00072812)

**Prashant Kumar**

Managing Director & CEO

(DIN: 07562475)

**For Chokshi & Chokshi LLP**

Chartered Accountants

Firm's Registration No: 101872W/W100045

**Vineet Saxena**

Partner

Membership No. 100770

**Rajan Pental**

Director

(DIN: 08432870)

**Niranjan Banodkar**

Chief Financial Officer

**Shivanand R. Shettigar**

Company Secretary

Mumbai

April 22, 2023

# Consolidated Cash Flow Statement

for the year ended March 31, 2023

(₹ in thousands)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flow from/(used in) Operating Activities</b>		
<b>Net profit before taxes</b>	<b>9,813,283</b>	<b>14,336,891</b>
<b>Adjustment for</b>		
ESOP Compensation Expense	218,407	90,449
Depreciation for the year	4,334,178	4,033,317
Amortization of premium on investments	3,868,850	3,400,038
Provision for investments	24,122,209	7,596,484
Provision for standard advances	(1,496,202)	(251,526)
Provision/write off of non performing advances	(15,264,116)	21,157,827
Other provisions	(225,075)	(2,190)
(Profit)/Loss on sale of land, building and other assets	(46,664)	125,884
(i)	<b>25,324,870</b>	<b>50,487,174</b>
<b>Adjustments for :</b>		
Increase / (Decrease) in Deposits	203,196,167	342,166,450
Increase/(Decrease) in Other Liabilities	41,476,494	10,136,805
(Increase)/Decrease in Investments	(156,296,161)	43,738,615
(Increase)/Decrease in Advances	(207,511,235)	(162,699,323)
(Increase)/Decrease in Other assets	(163,679,407)	(46,866,663)
(ii)	<b>(282,814,142)</b>	<b>186,475,884</b>
Payment of direct taxes	(673,306)	(985,611)
(iii)	<b>(673,306)</b>	<b>(985,611)</b>
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(258,162,578)</b>	<b>235,977,447</b>
<b>Cash flow from/(used in) investing activities</b>		
Purchase of fixed assets	(7,915,921)	(4,102,775)
Proceeds from sale of fixed assets	523,660	117,290
Investment in equity shares of J.C. Flowers Asset Reconstruction Pvt Ltd	(270,090)	-
(Increase) / Decrease in Held To Maturity (HTM) securities	(121,377,925)	(141,128,511)
<b>Net cash generated / (used in) from investing activities (B)</b>	<b>(129,040,276)</b>	<b>(145,113,996)</b>
<b>Cash flow from/(used in) financing activities</b>		
Increase in Borrowings (gross)	71,776,013	98,039,228
Tier I/II Debt repaid during the year	(17,638,000)	(14,128,250)
Proceeds from issuance of Equity Shares (net of share issue expense)	50,881,913	635
Proceeds from share warrants subscription money	9,483,918	-
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>114,503,844</b>	<b>83,911,613</b>
Effect of exchange fluctuation on translation reserve (D)	(1,222,927)	(545,554)

# Consolidated Cash Flow Statement

for the year ended March 31, 2023

(₹ in thousands)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>(273,921,937)</b>	<b>174,229,510</b>
<b>Cash and cash equivalents as at April 1<sup>st</sup></b>	<b>467,482,025</b>	<b>293,252,515</b>
<b>Cash and cash equivalents as at Mar 31<sup>st</sup></b>	<b>193,560,088</b>	<b>467,482,025</b>
<b>Notes to the Cash flow statement:</b>		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	128,640,853	434,522,666
Balances with Banks and Money at Call and Short Notice	64,919,235	32,959,359
<b>Cash and cash equivalents as at March 31<sup>st</sup></b>	<b>193,560,088</b>	<b>467,482,025</b>

As per our report of even date attached.

**For M P Chitale & Co**

Chartered Accountants

Firm's Registration No: 101851W

**For and on behalf of the Board of Directors**

**YES BANK Limited**

CIN: L65190MH2003PLC143249

**Anagha Thatte**

Partner

Membership No. 105525

**Rama Subramaniam Gandhi**

Chairman

(DIN: 03341633)

**Sanjay Khemani**

Director

(DIN: 00072812)

**Prashant Kumar**

Managing Director & CEO

(DIN: 07562475)

**For Chokshi & Chokshi LLP**

Chartered Accountants

Firm's Registration No: 101872W/W100045

**Vineet Saxena**

Partner

Membership No. 100770

**Rajan Pental**

Director

(DIN: 08432870)

**Niranjan Banodkar**

Chief Financial Officer

**Shivanand R. Shettigar**

Company Secretary

Mumbai

April 22, 2023

# Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 1 - CAPITAL</b>		
<b>Authorised Capital</b>		
40,000,000,000 equity shares of ₹ 2/- each	80,000,000	60,000,000
20,000,000 preference shares of ₹ 100/- each	2,000,000	2,000,000
<b>Issued and subscribed capital (Refer Sch 17.6.1)</b>		
28,754,775,334 equity shares of ₹ 2/- each	57,509,551	50,109,906
(Previous year: 25,054,952,981 equity shares of ₹ 2/- each)		
<b>TOTAL</b>	<b>57,509,551</b>	<b>50,109,906</b>

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 2 - RESERVES AND SURPLUS</b>		
<b>I Statutory Reserves</b>		
Opening balance	51,599,631	48,934,100
Additions during the year	1,793,522	2,665,531
Deductions during the year	-	-
Closing balance	<b>53,393,153</b>	<b>51,599,631</b>
<b>II Share Premium</b>		
Opening balance	322,949,781	322,949,240
Additions during the year (Refer Sch 17.6.1)	43,488,792	541
Deductions during the year	-	-
Closing balance	<b>366,438,573</b>	<b>322,949,781</b>
<b>III Capital Reserve</b>		
Opening balance	17,268,151	17,159,844
Additions during the year	31,666	108,307
Deductions during the year	-	-
Closing balance	<b>17,299,817</b>	<b>17,268,151</b>
<b>IV Capital Reserve on Consolidation</b>		
Opening balance	164,816	-
Additions during the year	-	164,816
Deductions during the year	-	-
Closing balance	<b>164,816</b>	<b>164,816</b>
<b>V Investment Reserve</b>		
Opening balance	568,129	533,829
Additions during the year	16,787	34,300
Deductions during the year	-	-
Closing balance	<b>584,916</b>	<b>568,129</b>
<b>VI Foreign Currency Translation Reserve</b>		
Opening balance	(80,536)	465,018
Additions during the year	(1,222,927)	(545,554)
Deductions during the year	-	-
Closing balance	<b>(1,303,463)</b>	<b>(80,536)</b>

# Schedules

forming a part of Consolidated Balance Sheet

	(₹ in thousands)	
	As at March 31, 2023	As at March 31, 2022
<b>VII Cash Flow Hedge Reserve</b>		
Opening balance	-	(8,020)
Additions during the year	-	8,020
Deductions during the year	-	-
Closing balance	-	-
<b>VIII Investment Fluctuation Reserve</b>		
Opening balance	1,886,952	539,066
Additions during the year	2,358,763	1,347,886
Deductions during the year	-	-
Closing balance	<b>4,245,715</b>	<b>1,886,952</b>
<b>IX ESOP Compensation Reserve</b>		
Opening balance	90,449	-
Additions during the year (Refer Sch 17.6.4)	218,407	90,449
Deductions during the year	6,524	-
Closing balance	<b>302,331</b>	<b>90,449</b>
<b>X Balance in Profit and Loss Account</b>	(100,937,570)	(107,567,593)
<b>TOTAL</b>	<b>340,188,289</b>	<b>286,879,780</b>

	(₹ in thousands)	
	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 2A - MINORITY INTEREST</b>		
Minority interest at the date on which the parent-subsidiary relationship came into existence	-	-
Subsequent increase/ decrease	-	-
Minority interest on the date of balance sheet	-	-

	(₹ in thousands)	
	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 3 - DEPOSITS</b>		
<b>A. I. Demand Deposits</b>		
i) From Banks	19,913,112	21,632,926
ii) From others	316,024,714	241,916,662
<b>II. Savings Bank Deposit</b>	332,999,169	349,704,727
<b>III. Term Deposits</b>		
i) From banks	93,738,300	128,534,720
ii) From others (incl. CD's issued)	1,411,146,635	1,228,836,728
<b>TOTAL</b>	<b>2,173,821,930</b>	<b>1,970,625,763</b>
<b>B. I. Deposits of branches in India</b>	2,164,734,802	1,970,275,960
<b>II. Deposits of branches outside India</b>	9,087,128	349,803
<b>TOTAL</b>	<b>2,173,821,930</b>	<b>1,970,625,763</b>



# Schedules

forming a part of Consolidated Balance Sheet

	(₹ in thousands)	
	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 4 - BORROWINGS</b>		
<b>A. Borrowing in India</b>		
i) Reserve Bank of India <sup>1</sup>	67,370,000	70,600,000
ii) Other banks	20,171,266	26,304,116
iii) Other institutions and agencies <sup>1 &amp; 2</sup>	444,816,592	359,432,742
iv) Innovative Perpetual Debt Instruments (IPDI)	2,800,000	2,800,000
v) Tier II Borrowings	139,412,000	157,050,000
<b>TOTAL (A)</b>	<b>674,569,858</b>	<b>616,186,858</b>
<b>B. Borrowings outside India</b>		
i) Borrowings outside India	102,969,981	107,214,968
ii) Innovative Perpetual Debt Instruments (IPDI)	-	-
iii) Tier II Borrowings	-	-
<b>TOTAL (B)</b>	<b>102,969,981</b>	<b>107,214,968</b>
<b>TOTAL (A+B)</b>	<b>777,539,839</b>	<b>723,401,826</b>

- (1) Secured borrowings are ₹ 111,808,311 thousands (Previous year: ₹ 126,362,748 thousands).
- (2) Including ₹ 360,458,382 thousands of refinance borrowing (Previous year: ₹ 265,869,994 thousands) ₹ 16,450,000 thousands (Previous year: ₹ 16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹ 21,350,000 thousands (Previous year: ₹ 21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

	(₹ in thousands)	
	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills payable	7,511,786	7,317,200
II. Inter-office adjustments (net)	-	-
III. Interest accrued	24,306,636	17,825,241
IV. Others (including provisions)		
- Provision for standard advances	17,744,816	19,241,018
- Country risk exposures	102,035	103,851
- Others*	143,832,540	110,272,768
- Income Tax Provision	-	-
<b>TOTAL</b>	<b>193,497,814</b>	<b>154,760,078</b>

\*Others includes Marked to Market adjustments on derivatives ₹ 69,922,500 thousands (previous year ₹ 56,522,300 thousands)

	(₹ in thousands)	
	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
I. Cash in hand (including foreign currency notes)	8,891,955	7,929,037
II. Balances with Reserve Bank of India		
- In current account	119,748,898	82,743,629
- In other account*	-	343,850,000
<b>TOTAL</b>	<b>128,640,853</b>	<b>434,522,666</b>

\*Includes reverse repo with RBI in compliance with RBI circular RBI/2022-23/55 DOR.ACC.REC.No.37/21.04.018/2022-23 dtd May 19, 2022

# Schedules

forming a part of Consolidated Balance Sheet

	As at March 31, 2023	As at March 31, 2022
(₹ in thousands)		
<b>SCHEDULE 7 - BALANCES WITH BANKS, MONEY AT CALL AND SHORT NOTICE</b>		
<b>I. In India</b>		
<b>Balances with banks-</b>		
i) in current accounts	3,229,083	2,606,916
ii) in other deposit accounts*	1,677,910	3,665,852
<b>Money at call and short notice</b>		
i) with Banks	820,000	-
ii) with other institutions	24,331,430	-
<b>TOTAL (I)</b>	<b>30,058,423</b>	<b>6,272,768</b>
<b>II. Outside India</b>		
i) in current account	10,199,952	25,246,534
ii) in other deposit account	-	-
iii) money at call and short notice	24,660,860	1,440,058
<b>TOTAL (II)</b>	<b>34,860,812</b>	<b>26,686,591</b>
<b>TOTAL (I+II)</b>	<b>64,919,235</b>	<b>32,959,359</b>

\*Includes fixed deposits with maturity of less than 12 months and pledged with Indian Clearing Corporation Ltd ₹ 857,400 thousands (Previous year: ₹ 662,700 thousands), Multi Commodity Exchange of India Ltd ₹ 800 thousands (Previous year: ₹ Nil), MCX Clearing Corporation Ltd ₹ 2,500 thousands (Previous year: ₹ 11,940,000 thousands), NCDEX ₹ 800 thousands (Previous year: ₹ 800 thousands), National Clearing Corporation Limited ₹ 2,500 thousands (Previous year: ₹ Nil).

	As at March 31, 2023	As at March 31, 2022
(₹ in thousands)		
<b>SCHEDULE 8 - INVESTMENTS (Net of provisions)</b>		
<b>A. Investments in India</b>		
i) Government Securities*	651,582,015	437,084,560
ii) Other approved securities	-	-
iii) Shares	503,120	214,321
iv) Debentures and bonds	49,889,311	53,921,028
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Commercial Papers, Certificate of Deposits, Security Receipts, Pass through certificates, Mutual Funds, Venture Capital Funds etc.)	51,022,443	21,615,852
<b>TOTAL (I)</b>	<b>752,996,889</b>	<b>512,835,761</b>
<b>B. Investments outside India</b>		
i) Government Securities	12,202,605	3,030,418
ii) Shares	6,630	6,243
iii) Debentures and bonds	1,330,786	-
iv) Others (Mutual Funds)	956,064	1,667,435
<b>TOTAL (II)</b>	<b>14,496,085</b>	<b>4,704,096</b>
<b>TOTAL (I+II)</b>	<b>767,492,974</b>	<b>517,539,857</b>
<b>C. Investments in India</b>		
(i) Gross value of investments	799,282,924	578,795,368
(ii) Aggregate of provisions for depreciation	46,286,034	65,959,607
<b>(iii) Net investment TOTAL (I)</b>	<b>752,996,889</b>	<b>512,835,761</b>
<b>D. Investments outside India</b>		
(i) Gross value of investments	14,852,103	4,704,096
(ii) Aggregate of provisions for depreciation	356,018	-
<b>(iii) Net investment TOTAL (II)</b>	<b>14,496,085</b>	<b>4,704,096</b>
<b>TOTAL (I+II)</b>	<b>767,492,974</b>	<b>517,539,857</b>

\* Includes securities of face value ₹ 112,842,783 thousands (Previous year: ₹ 135,100,288 thousands) pledged for clearing facility and margin requirements.

# Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 9 - ADVANCES (Net of provisions)</b>		
<b>A.</b>		
i) Bills purchased and discounted	26,954,447	32,139,729
ii) Cash credit, overdrafts and loans repayable on demand <sup>(1)</sup>	603,211,548	438,996,134
iii) Term loans	1,402,199,457	1,338,454,238
<b>TOTAL</b>	<b>2,032,365,452</b>	<b>1,809,590,101</b>
<b>B.</b>		
i) Secured by tangible assets <sup>(1)</sup> (includes advances secured by fixed deposits and book debt)	1,532,416,883	1,356,508,665
ii) Covered by Bank/Government guarantees	63,408,099	28,727,222
iii) Unsecured <sup>(2)(3)</sup>	436,540,470	424,354,214
<b>TOTAL</b>	<b>2,032,365,452</b>	<b>1,809,590,101</b>
<p>(1) Includes ₹ 30,689,277 thousands (Previous year: NIL) of Interbank Reverse Repo having original tenors more than 14 days are classified as Advances as per RBI Master circular No DOR.ACC.REC.NO.37/21.04.018/2022-23</p> <p>(2) Includes at March 31, 2023 advances of ₹ 48,929,005 thousands (Previous year: ₹ 36,761,150 thousands) for which security documentation is either being obtained or being registered.</p> <p>(3) Includes at March 31, 2023 advances amounting to ₹ 1,427,223 thousands (Previous year: ₹ 6,605,716 thousand) has been secured by intangible securities such as charge over the rights, licenses, authority, etc</p>		
<b>C. I.</b>		
<b>Advances in India</b>		
i) Priority sectors	759,181,119	634,489,440
ii) Public sector	-	62,480
iii) Banks	3,002,559	7,751,064
iv) Others <sup>(1)</sup>	1,204,494,847	1,089,853,584
<b>TOTAL (I)</b>	<b>1,966,678,525</b>	<b>1,732,156,568</b>
<b>II.</b>		
<b>Advances outside India</b>		
i) Due from Banks	1,052,637	336,186
ii) Due from Others	64,634,290	77,097,347
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	10,654,379	7,108,155
(c) Others	53,979,911	69,989,192
<b>TOTAL (II)</b>	<b>65,686,927</b>	<b>77,433,533</b>
<b>TOTAL (I+II)</b>	<b>2,032,365,452</b>	<b>1,809,590,101</b>

# Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 10 - FIXED ASSETS</b>		
<b>I. Premises</b>		
At cost as at March 31 <sup>st</sup> of preceding year	12,480,561	12,480,561
Additions during the year	-	-
Deductions during the year	(378,031)	-
Accumulated depreciation to date	(356,925)	(219,207)
<b>IA. Premises under construction</b>	-	-
<b>TOTAL (I)</b>	<b>11,745,605</b>	<b>12,261,354</b>
<b>II. Other Fixed Assets (including furniture and fixtures and software)</b>		
At cost as at March 31 <sup>st</sup> of preceding year	27,282,820	25,759,702
Additions during the year	6,210,117	3,478,693
Deductions during the year	(839,884)	(1,955,575)
Accumulated depreciation to date	(22,841,530)	(19,385,988)
<b>IIA. Leased Assets</b>		
At cost as at March 31 <sup>st</sup> of preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Accumulated depreciation to date	-	-
<b>TOTAL (II)</b>	<b>9,811,523</b>	<b>7,896,833</b>
<b>TOTAL (I+II)</b>	<b>21,557,128</b>	<b>20,158,187</b>
<b>III. Capital work-in-progress(net of provision)</b>	<b>2,957,684</b>	<b>1,251,880</b>
<b>TOTAL</b>	<b>24,514,813</b>	<b>21,410,068</b>

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 11 - OTHER ASSETS</b>		
I. Interest Accrued	22,453,286	17,768,396
II. Advance tax and tax deducted at source (net of provision)	6,926,967	6,079,253
III. Deferred tax asset (Refer Sch 17.6.13)	89,411,542	91,842,076
IV. Stationery and stamps	1,563	5,544
V. Non-Banking assets acquired in satisfaction of claims	353,000	353,000
VI. Others*	414,961,656	253,707,033
<b>TOTAL</b>	<b>534,108,014</b>	<b>369,755,302</b>

\*1. Includes deposits placed with NABARD/SIDBI/NHB, etc. of ₹ 309,095,659 thousands (Previous year ₹ 172,696,815 thousands) on account of shortfall in priority sector targets.

2. Includes Marked to Market adjustments on derivatives of ₹ 62,901,600 thousands (Previous year ₹ 50,384,800 thousands)"

# Schedules

forming a part of Consolidated Balance Sheet

	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>		
I. Claims against the bank not acknowledged as debts	792,648	1,208,279
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	2,871,564,016	3,421,931,086
IV. Liability on account of outstanding derivative contracts	-	-
(a) Single currency Interest Rate Swap	2,601,271,973	2,294,845,134
(b) Others	341,007,859	314,403,390
V. Guarantees given on behalf on constituents	-	-
(a) In India	444,062,267	399,862,550
(b) Outside India	219,497	-
VI. Acceptances, endorsement and other obligations	171,293,059	148,184,168
VII. Other items for which the bank is contingently liable	-	-
(a) Purchase of securities pending settlement	1,752,006	4,995,690
(b) Capital commitment	3,891,446	2,811,655
(c) Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	203,755	119,099
(d) Foreign exchange contracts (Tom & Spot)	175,065,652	211,190,532
(e) Custody	2,730,617	1,910,795
(f) Bills Rediscounting	-	-
(g) Undrawn partial credit enhancement facilities	-	-
(h) When Issued ("WI") securities	-	-
<b>TOTAL</b>	<b>6,613,854,796</b>	<b>6,801,462,379</b>

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as at March 31, 2023 includes notional amount of ₹ 2,388,453,904 thousands and ₹ 1,335,920,303 thousands (Previous year: ₹ 2,760,893,820 thousands and ₹ 750,794,782 thousands) guaranteed by CCIL representing 83.18% and 51.36% (Previous year: 80.68% and 32.72%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

# Schedules

forming a part of Consolidated Profit and Loss Account

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 13 - INTEREST EARNED</b>		
I. Interest/discount on advances/bills	178,189,679	150,891,119
II. Income on investments (including dividend)	35,645,993	28,780,909
III. Interest on balances with Reserve Bank of India and other inter-bank funds	8,410,286	7,020,739
IV. Others	4,775,661	3,494,899
<b>TOTAL</b>	<b>227,021,619</b>	<b>190,187,665</b>

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 14 - OTHER INCOME</b>		
I. Commission, exchange and brokerage	20,913,056	16,380,441
II. Profit/(Loss) on the sale of investments (net)	344,205	2,594,601
III. Profit/(Loss) on the revaluation of investments (net)	(34,831)	307,297
IV. Profit/(Loss) on sale of land, building and other assets	69,550	(125,884)
V. Profit on exchange transactions (net)	7,446,193	6,008,156
VI. Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII. a. Lease finance income	-	-
b. Lease management fee	-	-
c. Overdue charges	-	-
d. Interest on lease rent receivables	-	-
VIII. Miscellaneous income	12,507,832	8,882,903
<b>TOTAL</b>	<b>41,246,005</b>	<b>34,047,514</b>

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 15 - INTEREST EXPENDED</b>		
I. Interest on deposits	101,027,218	84,522,616
II. Interest on Reserve Bank of India/inter-bank borrowings/ Tier I and Tier II debt instruments	45,905,501	40,705,478
III. Others	1,064,883	56,257
<b>TOTAL</b>	<b>147,997,602</b>	<b>125,284,351</b>

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE 16 - OPERATING EXPENSES</b>		
I. Payments to and provisions for employees	34,750,703	29,585,717
II. Rent, taxes and lighting	4,425,607	4,007,109
III. Printing and stationery	459,052	311,982
IV. Advertisement and publicity	128,704	280,797
V. a. Depreciation on Group's property other than Leased Assets	4,334,178	3,986,017
b. Depreciation on Leased Assets	-	47,300
VI. Directors' fees, allowances and expenses	49,327	47,835
VII. Auditors' fees and expenses	44,896	36,431
VIII. Law charges	532,529	401,314
IX. Postage, telegrams, telephones, etc.	641,040	467,295
X. Repairs and maintenance	543,237	371,363
XI. Insurance	2,814,329	2,010,543
XII. Amortisation of Goodwill	-	-
XIII. Other expenditure (Refer Sch 17.5.24)	39,531,581	28,257,727
<b>TOTAL</b>	<b>88,255,183</b>	<b>69,811,429</b>

# Consolidated Financial Statements

For the year ended March 31, 2023

## 17. Significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2023

### 17.1 Background

YES BANK ('the Bank') is a publicly held bank, together with its subsidiaries (collectively, 'the Group'), are 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.

The Bank had three wholly owned subsidiaries namely Yes Securities (India) Limited, YES Asset Management (India) Limited and YES Trustee Limited. On November 1, 2021, the Bank had completed the sale of its entire stake in its wholly owned subsidiaries YES Asset Management (India) Limited and YES Trustee Limited to GPL Finance and Investments Limited.

YES Securities (India) Limited ('YSIL') was incorporated on March 14, 2013, as a wholly owned subsidiary of the Bank. YSIL is registered with the Securities and Exchange Board of India ('SEBI') as a securities broker since July 8, 2013, Category I Merchant Banker w.e.f. September 3, 2015, Research Analyst w.e.f. November 30, 2015 and Investment Adviser w.e.f. March 20, 2017. YSIL is member of the National Stock Exchange ('NSE') since May 2, 2013, the Bombay Stock Exchange ('BSE') since June 11, 2013, Multi Commodity Exchange ('MCX') since February 5, 2019 and National Commodity & Derivatives Exchange Limited ('NCDEX') since February 6, 2020. YSIL offers, inter alia, trading / investment in equity, merchant banking and other financial products along with various value added services.

### 17.2 Principles of Consolidation

The Bank has sold its entire stake in its wholly owned subsidiaries YES Asset Management (India) Limited and YES Trustee Limited on November 1, 2021. Accordingly, the consolidated financial statements include figures of these two subsidiaries till October 31, 2021.

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 Companies (Accounting Standards) Rules, 2021 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.

### 17.3 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 the consolidated financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines and clarifications 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 Companies (Accounting Standards) Rules, 2021 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. In case the accounting policies followed by subsidiaries are different from those followed by the Bank, the same is being disclosed in the respective accounting policy.

### 17.4 Use of estimates

The preparation of consolidated financial statements requires the management of the Group to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent

# Consolidated Financial Statements

For the year ended March 31, 2023

liabilities) as of the date of the consolidated financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

While India is emerging from COVID-19 pandemic, the extent to which any new wave of COVID-19 will impact the Group's results will depend on ongoing as well as future developments, inter-alia including, the impacts of actions of governments and other authorities to contain its spread or mitigate its impact.

## 17.5 Significant accounting policies

### 17.5.1 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. Interest on non-performing assets is recognized as per the prudential norms of the RBI. Penal Interest for covenant breach is recognized upon certainty of its realization. Late payment penalty on retail loans is recognized on cash basis.
- Dividend income is recognized when the right to receive payment is established.
- Commission on Guarantees and Letters of Credit ('LC') issued by the Bank is recognized as income over the period of the Guarantee and LC respectively.
- 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.
- Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines
- Brokerage income is recognised as per contracted rate on execution of transaction on behalf of the customers on the trade date.
- Fee income from Investment banking / Merchant banking services are recognised based on completion of milestone as per the engagement letter. Further Fee income in relation to public issues/ other securities is recognised based on mobilization and intimation received from clients / intermediaries.
- Fee for subscription based services are recognised as earned on a pro rata basis over the term of the plan.



# Consolidated Financial Statements

For the year ended March 31, 2023

## 17.5.2 Investments

Classification and valuation of the Bank's investments are carried out in accordance with RBI Circular DOR. MRG.42/21.04.141/2021-22 dated August 25, 2021.

### 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) debentures and bonds (e) subsidiaries and/or joint ventures and (f) others.

YSIL classifies investments into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long-term investments and investments which are intended to be held for less than one year are classified as current investments. Long-term Investments are stated at cost after deducting provision made, if any, for other than temporary diminution in the value. Current Investments are stated at lower of cost and market/ fair value.

#### a) Cost of acquisition

Costs such as brokerage pertaining to investments, paid at the time of acquisition and broken period interest are charged to the profit and loss account as per the RBI guidelines.

#### b) Basis of classification

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that the Bank intends to hold till maturity are classified under the HTM category, or as per RBI guidelines. Securities which are not classified in the above categories are classified under the AFS category.

#### c) Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price/book value and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost.

On transfer from HTM to AFS/HFT category, securities are immediately revalued and resultant depreciation, if any, is provided.

Transfer of investments from AFS to HFT or vice- a- versa (in exceptional circumstances and with the approval of the Board of Directors/ Asset Liability Committee (ALCO) /Investment Committee) 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 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.

# Consolidated Financial Statements

For the year ended March 31, 2023

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 premium on investments in the HTM category is deducted from interest income in accordance with RBI Circular DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021. 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. Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve.

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 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 recognized 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 which is categorized under HFT category 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.

Investments in unquoted Alternative Investment Funds (AIF)/ Venture Capital Funds (VCF) are categorised, at the discretion of the Bank, under HTM category for an initial period of three years and valued at cost during this period. Such investments are transferred to the AFS category after the said period of three years. Investments in AFS category are valued at NAV shown by the AIF/VCF as per the financial statements. The VCF/AIFs 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/AIF.

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.

# Consolidated Financial Statements

For the year ended March 31, 2023

For stressed loans transferred to Asset Reconstruction Company (ARC) for a consideration in the form of security receipts is lower than the NBV at the time of transfer, the shortfall is debited to the Profit and Loss Account and spread equally over the financial year. The realized profit, where the cash recovery exceeds the net book value of stressed loans, the same is credited to Profit and Loss Account. For stressed loans where the consideration received was higher than that net book value at the time of transfer and the cash recovery is lower than the net book value, such excess amount is not reversed in the Profit and Loss Account and the Bank continued to carry forward the same as provision against these security receipts. In effect the value of security receipts should reflected in a manner that the value of security receipts is not higher than the net book value of the loans transferred to ARC. The above provisioning requirements is as per the extant RBI guidelines applied on each reporting date, taking into account the principle that there should be no provisioning arbitrage between the provisioning on security receipts vis-à-vis the provisioning requirements on the underlying exposure, had it stayed in the books.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/net asset value declared by the mutual fund. Investments in un-quoted MF Units are valued on the basis of the latest re-purchase price declared by the MF in respect of each particular Scheme.

Investment in listed instruments of Real Estate Investment Trust (REIT)/Infrastructure Investment Trust (INVIT) is valued at closing price on a recognized stock exchange with the higher volumes. In case the instruments were not traded on any stock exchange within 15 days prior to date of valuation, valuation is done based on the latest NAV (not older than 1 year) submitted by the valuer.

Sovereign foreign currency bonds are valued using Composite Bloomberg Bond Trader (CBBT) price or Bloomberg Valuation Service (BVAL) price or on Treasury curve in the chronological order based on availability.

Non- Sovereign foreign currency Bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price, Bloomberg Generic price (BGN), Last available CBBT pricing for the instrument or Proxy Bond Pricing from Bloomberg in the chronological order based on availability.

Masala bonds are valued using either Composite Bloomberg Bond Trader (CBBT) price, Bloomberg Valuation Service (BVAL) price or as per FIMMDA guided valuation methodology for unquoted bonds in the chronological order based on availability.

Special bonds such as oil bonds, fertilizer bonds, UDAY bonds etc. which are directly issued by Government of India ('GOI') is valued based on FBIL valuation.

Equity shares in the Bank's demat account, acquired through exercise of pledge, is not accounted as investments. Upon sale of the pledged shares, the proceeds are utilized to offset the borrower's liability.

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 in cash.

## 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.

# Consolidated Financial Statements

For the year ended March 31, 2023

**f) Accounting for repos / reverse repos/targeted long-term repo operations (TLTRO)**

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 Circular DOR.MRG.42/21.04.141/2021-22 dated August 25, 2021. 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.

**g) Investment fluctuation reserve (IFR)**

With a view to building up of adequate reserves to protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, advised all banks to create an IFR with effect from the FY 2018-19.

Transfer to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations; until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

## 17.5.3 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, direct assignment and bills rediscounted.

Assets transferred through direct assignment of cash flows are de-recognised in the Balance Sheet when they are sold (true sale criteria being fully met with) and consideration is received by the Bank.

### 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 advances 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. In relation to non-performing derivative contracts, as per the extant RBI guidelines, the Bank makes provision for the entire amount of overdue and future receivables relating to positive marked to market value of the said derivative contracts.

The Bank considers an account as restructured, where for economic or legal reasons relating to the borrower's financial difficulty, the Bank grants concessions to the borrower, that the Bank would not otherwise consider. The moratorium granted to the borrowers based on RBI guidelines is not accounted as restructuring of loan. The RBI guidelines on 'Resolution Framework for COVID-19-related Stress' provide a prudential framework for resolution plan of certain loans. The borrowers where resolution plan was implemented under these guidelines are classified as standard restructured.

In respect of loans reported as fraud to RBI the entire amount, is provided for over a period not exceeding four quarters starting from the quarter in which fraud has been detected. In respect of non-retail loans where there has been delay in reporting the fraud to the RBI or which are classified as loss accounts, the entire amount is provided immediately.

The Bank makes additional provisions as per RBI guidelines for the cases where viable resolution plan has not been implemented within timelines prescribed by RBI, from the date of default. These additional provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

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As per the RBI guidelines a general provision is made on all standard advances, including provision for borrowers having unhedged foreign currency exposure and for credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts. The general provision also includes provision for stressed sector exposures and provision for incremental exposure of the banking system to a specified borrower beyond Normally Permitted Lending Limit (NPLL) in proportion to bank's funded exposure to specified borrower. Further, provision requirement under various Restructure scheme of RBI also forms part of general provision. 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.

As per requirement of RBI guideline, any interest accrued and due if converted into a loan (i.e. Funded Interest Term Loan) then such income will be reversed and will be recognised on cash basis.

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 Provisions and Contingencies

In case of loans sold to asset reconstruction company, if consideration is more than net book value, the Bank records the security receipts as investment at Net Book Value as per RBI guidelines.

The Bank has in place a Country Risk management policy as part of its Board approved Credit policy, which is based on extant regulatory guidelines and addresses the identification, measurement, monitoring and reporting of country risk. Countries are categorized into seven risk categories, viz. Insignificant, Low Risk, Moderately Low Risk, Moderate Risk, Moderately High 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%.

## 17.5.4 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 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 risk-free rates ('RFRs')/SWAP curves of the respective currencies with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market ('MTM')) on a gross basis.

Financial conduct authority ('FCA') of the United Kingdom has phased out London interbank offered rate ('LIBOR') on December 2021, replacing it by Alternate Reference rate ('ARR'). Libor was used by the Bank as benchmark for funded as well as Non-funded exposure. Accordingly, MIFOR (derived with LIBOR and forward premium in forex markets) has also been replaced by Modified MIFOR.

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RBI vide the press release CO.FMRD.DIRD.S39/14.02.001/2021-22 on July 08, 2021 has encouraged the Banks to cease entering into new financial contracts that has reference LIBOR/MIFOR as a benchmark and instead use widely accepted ARR. Bank has started offering new transaction based on ARR curve w.e.f January 1, 2022 except existing underlying transactions linked to LIBOR/MIFOR as permissible by the regulations.

In accordance with AS 11 'The Effects of changes in Foreign Exchange Rates', contingent liabilities in respect of outstanding foreign exchange forward contracts, derivatives, guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI corresponding to the balance sheet date.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the Balance Sheet date and the resulting profit / loss arising from exchange differences are accumulated in the Foreign Currency Translation Account until the disposal of the net investment in the non-integral foreign operations.

In accordance with the RBI clarification, the Bank does not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations.

Currency future contracts are marked to market daily using settlement price on a trading day, which is the closing price of the respective future contracts on that day. While the daily settlement prices is computed on the basis of weighted average price of such contract, the final settlement price is taken as the RBI reference rate on the last trading day of the future contract or as may be specified by the relevant authority from time to time. All open positions are marked to market based on the settlement price and the resultant marked to market profit / loss is daily set.

## 17.5.5 Earnings per share

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard (AS) 20, "Earnings per Share". Basic earnings per equity share have been computed by dividing net profit after tax for the year by the weighted average number of equity shares outstanding for the period.

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti-dilutive.

## 17.5.6 Accounting for derivative transactions

Derivative transactions comprises foreign exchange contracts, forward rate agreements, swaps and option contracts. The Bank undertakes derivative transactions for market making/trading and hedging on-balance sheet assets and liabilities. All market making/trading transactions are marked to market on a monthly basis and the resultant unrealized gains/losses are recognized in the profit and loss account.

Derivative transactions that are undertaken for hedging are accounted for on accrual basis except for the transaction designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements, which are accounted similar to the underlying asset or liability.

Cross currency interest rate swaps which are used by the Bank to hedge its foreign currency borrowings are designated as cash flow hedges (effective 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.

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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'.

Valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

The requirement for collateral and credit risk mitigation on derivative contracts is assessed based on internal credit policy. Overdue 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.

The Bilateral Netting of Qualified Financial Contracts Act, 2020 (the Act), has been notified by the Government of India and subsequent to this the RBI through circular dated March 30, 2021 allowed netting of the Qualified Financial Contracts (QFC). In respect of derivative contracts, the Bank has computed the exposure under the Current Exposure Method for counterparty credit risk capital computation based on the guidelines issued by RBI on "Bilateral Netting of Qualified Financial Contracts - Amendments to Prudential Guidelines" dated March 30, 2021 and subsequent amendments dated March 31, 2022 and August 11, 2022 for eligible counterparties.

## 17.5.7 Fixed assets

Fixed assets are stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost comprises the purchase price including import duties and non -refundable purchase taxes, after deducting trade discounts and rebates 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.

## 17.5.8 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 the Group's Accounting Policy
Owned Premises	60 years	60 years
Office equipment	5 years	5 years
Computer hardware <sup>1</sup>	6 years	3 years
Computer software *	6 years	4 years
Vehicles <sup>1</sup>	8 years	5 years
Furniture and Fixtures	10 years	10 years
Leasehold improvements to premises	-	Over the lease period or 9 years whichever is less.

\*As per RBI Guidelines.

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<sup>1</sup> 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.

- Asset 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.

## 17.5.9 Impairment of assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

## 17.5.10 Employee benefits

### Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Group to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Securities & Exchange Board of India) Regulations, 2014. RBI, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised banks that the fair value of share-linked instruments on the date of grant should be recognized as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Group changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after March 31, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model is recognized as compensation expense over the vesting period.

Options granted till March 31, 2021, the Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e. the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. The exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

### Compensated absences

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.



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## Gratuity

The Group provides for gratuity, for all employees. The Gratuity is payable to an employee as per Payment of Gratuity Act. The Group accounts for the liability for future gratuity benefits using the projected unit cost method based on independent 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 Accounting Standard-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

All employees of the Group are covered under the Employees Provident Fund, a defined contribution plan in which both the employee and the Bank contribute monthly. 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 Bank has no liability for future fund benefits other than the voluntary contribution made by employees who agree to contribute to the scheme.

### 17.5.11 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.

### 17.5.12 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 taxes reflect the impact of timing differences between taxable income and accounting income for the current year and reversal of timing differences of earlier years and carry forward losses. 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. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets in case of unabsorbed depreciation/ losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits. Deferred tax assets are recognized and reassessed at each balance sheet date based upon management's judgement and appropriately adjusted to reflect the amount that is reasonably certain to be realised.

### 17.5.13 Provisions and contingent assets/liabilities

In accordance with Accounting Standard-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.

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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.

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 Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognized in the consolidated 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.

## 17.5.14 Cash and Cash equivalents

Cash and cash equivalents include cash in hand, including foreign currency notes, balances with RBI, balances with other banks and money at call and short notice.

## 17.5.15 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

## 17.5.16 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.

## 17.5.17 Bullion

The Bank imports bullion (gold and silver bars) on a consignment basis for selling to its customers. The imports are typically based on a request of the client and are settled based on a back to back price fixing with supplier and client. The Bank earns a fee on such bullion transactions. The fee is classified in other income. The Bank also deals in gold borrowing and lending and the interest paid/received thereon is classified as interest expense / income respectively.

## 17.5.18 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

## 17.5.19 Segment information

The disclosure relating to segment information is in accordance with Accounting Standard-17, Segment Reporting and as per guidelines issued by RBI from time to time.

## 17.5.20 Priority Sector Lending Certificates (PSLCs)

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 PSLCs. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLCs is treated as an 'Expense' and the fee received from the sale of PSLCs is treated as 'Other Income' and the same is amortised on a straight line basis over the life of the certificate.

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## 17.6 Capital

### 17.6.1 Equity Issue

On December 13, 2022, the Bank issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis. During the year ended March 31, 2023, the Bank has issued 3,666,651 equity shares (Previous year: 47,000 equity shares) of face value of ₹ 2 each pursuant to the exercise of stock options by employees under the approved stock option schemes.

### Movement in Share Capital

Share Capital	(₹ in million)	
	As at March 31, 2023	As at March 31, 2022
Opening Share Capital	50,109.90	50,109.81
Addition due to exercise of Stock Option	7.34	-
Addition due to shares issued on a preferential basis	7,392.31	0.09
Closing Share Capital	57,509.55	50,109.90

The Group has accreted ₹ 43,488.79 million net of estimated share issue expenses of the Bank ₹ 98.70 million during the year ended March 31, 2023 (Previous year: ₹ 0.54 million) towards share premium.

### 17.6.2 Share Warrants Subscription Money

On December 13, 2022, the Bank allotted a total of 2,559,761,818 share warrants convertible into equity shares of face value ₹ 2 each paid up to the extent of 25% of the issue price of ₹ 14.82 per share warrant on a preferential basis in an equal ratio to two marquee investors totaling to ₹ 9,483.92 million. Each Share Warrant is convertible to one fully paid equity share of the Bank, upon exercise of the option by paying the remaining 75% within 18 months of allotment.

### 17.6.3 Proposed Dividend:

During FY 2022-23 and FY 2021-22, the Bank had not declared any dividend on equity shares.

### 17.6.4 Employee Stock Option Plan (ESOP) Compensation Reserves

The Bank has transferred ₹ 218.41 million to ESOP Compensation Reserves during the year ended March 31, 2023 (Previous year: ₹ 90.45 million).

### 17.6.5 Provisions and contingencies

The breakup of provisions of the Group for the year ended March 31, 2023 and March 31, 2022 are given below:

Particulars	(₹ in million)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for taxation	2,455.10	3,696.36
Provision for non performing investments <sup>#</sup>	24,087.38	7,903.78
Provision for standard advances <sup>#</sup>	(1,496.20)	(251.53)
Provision made/write off for non performing advances <sup>#</sup>	(169.46)	7,185.19
Other Provisions <sup>*</sup>	(220.16)	(34.94)
<b>TOTAL</b>	<b>24,656.66</b>	<b>18,498.87</b>

\*Other Provisions includes provision made against other assets.

<sup>#</sup>Sale of stressed loans to JC Flowers Asset Reconstruction Private Limited

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On July 13, 2022, the Bank had signed a binding term sheet with JCF ARC LLC and JC Flowers Asset Reconstruction Private Limited ("JC Flowers ARC") for a strategic partnership in relation to sale of identified stressed loans of the Bank aggregating to up to ₹ 480,000 million as at March 31, 2022. The Bank had used the bid of JC Flowers ARC as a base bid ("Base Bid") to conduct a transparent bidding process on Swiss Challenge basis under the aegis of the Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 ('the Master Direction') for inviting challenger bids for sale of identified stressed loan portfolio. Pursuant to the conclusion of the Swiss Challenge process, the Board of Directors of the Bank, at their meeting held on September 20, 2022, approved JC Flowers ARC as the winner of the Swiss Challenge process and proceeded towards negotiating definitive agreements.

On December 16, 2022, the Bank concluded the aforesaid assignment after adjusting recoveries between April 1, 2022 to November 30, 2022. The gross value of exposures transferred to JC Flowers ARC was ₹ 437,157.89 million which included exposures worth ₹ 151,980.93 million earlier written-off by the Bank. The net book value ('NBV') of these exposures in the Bank's books as on the date of assignment was ₹ 49,817.57 million and the final consideration received was ₹ 80,458.68 million under 15:85 cash and security receipts structure.

For stressed loans transferred to ARC for a consideration lower than the NBV at the time of transfer, the shortfall of ₹ 6,086.09 million to the Bank was debited to the Profit and Loss Account during the year ended March 31, 2023 spread equally over the quarter ended December 31, 2022 and the quarter ended March 31, 2023. The realized profit amounting to ₹ 5,113.81 million where the cash recovery was exceeding the net book value of stressed loans was credited to Profit and Loss Account in the quarter ended December 31, 2022. For stressed loans where the consideration received was higher than that net book value at the time of transfer and the cash recovery is lower than the net book value, such excess amount of ₹ 31,613.38 million was not reversed in the Profit and Loss Account. The Bank has continued to carry forward the same as provision against these security receipts. In effect the Bank has reflected such sale in a manner that the value of security receipts is not higher than the net book value of the loans transferred to JC Flowers ARC. The same is being assessed for the provisioning requirements as per the extant RBI guidelines on each reporting date also taking into account the principle that there should be no provisioning arbitrage between the provisioning on Security Receipts vis-à-vis the provisioning requirements on the underlying exposure, had it stayed in the books.

## 17.6.6 Income Taxes

Provisions made for Income Tax during the year

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense*	24.56	-
Deferred income tax credit	2,430.53	3,696.36
<b>TOTAL</b>	<b>2,455.10</b>	<b>3,696.36</b>

\* Tax impact arising out of additions pertaining to previous financial years

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## 17.6.7 Staff retirement benefits

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the consolidated financial statements as at March 31, 2023 and March 31, 2022 which is as per Accounting Standard-15 Employee Benefits (Revised):

Changes in present value of Obligations:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Obligation at the beginning of the year	1,705.23	1,681.07
Interest Cost	99.56	100.66
Current Service Cost	314.84	295.32
Past Service Cost	-	-
Benefits Paid	(232.44)	(279.82)
Actuarial (gain)/loss on Obligation	(289.81)	(92.00)
<b>Present Value of Obligation at the end of the year</b>	<b>1,597.39</b>	<b>1,705.23</b>

Changes in the fair value of plan assets:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the year	1,315.37	1,461.84
Expected return on plan assets	76.86	87.53
Contributions	307.01	8.59
Benefits paid	(232.44)	(276.67)
Actuarial gain/(loss) on plan assets	(26.95)	34.08
<b>Fair value of plan assets at the end of the year</b>	<b>1,439.85</b>	<b>1,315.37</b>

The Group has entire contribution of Gratuity Fund as Investments with Insurance Companies which are invested primarily in debt instruments as approved by IRDA.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

Net gratuity cost for the year ended March 31, 2023 and March 31, 2022 comprises the following components:

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	314.84	295.89
Interest Cost	99.56	100.65
Expected Return on plan assets	(76.86)	(87.54)
Net Actuarial gain recognized in the year	(262.86)	(125.99)
Past Service Cost	-	-
<b>Expenses recognized</b>	<b>74.69</b>	<b>183.02</b>

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Experience History:

(₹ in million)

Particulars	For the year ended				
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
(Gain)/Loss on obligation due to change in assumptions	(352.89)	(26.74)	-	(252.08)	57.48
Experience (Gain)/Loss on obligation	63.08	(126.45)	(137.29)	47.97	(31.99)
Actuarial Gain/(Loss) on plan assets	(26.93)	34.08	30.23	(27.02)	(26.51)

The assumptions used in accounting for the gratuity plan are set out below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate	7.20%	5.15%~5.85%
Expected Return on Plan Assets	7.00%~7.20%	5.85%~7.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Future Salary Increases	6.00%~9.00%	6.00%~11.00%
Disability	-	-
Attrition	26%~50%	20%~50%
Retirement	60 years	60 years

Actuarial assumption on salary increase also takes into consideration the inflation, seniority, promotion and other relevant factors.

Position of plan asset / liability:

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets at the end of the period	1,439.85	1,315.43
Present Value of Obligation at the end of the year	1,597.28	1,705.24
<b>Plan asset / (liability)</b>	<b>(157.43)</b>	<b>(389.81)</b>

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

## National Pension Scheme

The Group has contributed ₹ 54.98 million for the year ended March 31, 2023 (Previous year: ₹ 40.50 million) to NPS for employees who had opted for the scheme. The Group has no liability for future fund benefits other than its annual contribution for the employees who agree to contribute to the scheme.

## Provident Fund (PF)

The Group has recognised in the profit and loss account ₹ 1,223.21 million for the year ended March 31, 2023 (Previous year: ₹ 1,054.41 million) towards contribution to the provident fund.

## Compensated absences

The Group has recognised ₹ 47.16 million in the profit and loss account for the year ended March 31, 2023 (Previous year: ₹ 76.74 million) towards compensated absences.

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## 17.6.8 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 Group'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. RBI in its Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting, has identified 'Digital Banking' as a sub-segment under Retail Banking. During the year ended March 31, 2023, a Digital Banking Unit (DBU) of the Bank has commenced its operations. The Bank has presented segment results pertaining to the said DBU of the Bank in sub-segment 'Digital Banking' of Retail banking segment for the year ended March 31, 2023. Comparative presentation of segmental results of sub-segment 'Digital Banking' for the year ended March 31, 2022 is not applicable.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2023 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking#	Other Banking Operations	Total
Segment Revenue	51,238.30	98,182.96	112,760.56	6,761.96	268,943.78
Add/ (Less): Inter-segment					(676.16)
Exceptional Item					-
Revenue net of inter- segment					268,267.62
Result	(29,492.81)	34,725.41	18,111.35	2,021.91	25,365.86
Unallocated Expenses					(15,552.58)
Operating Profit					9,813.28
Income Taxes					2,455.10
Extra-ordinary Profit/(Loss)					-
<b>Net Profit</b>					<b>7,358.19</b>
<b>Other Information:</b>					
Segment assets	1,382,093.23	949,980.60	1,103,801.47	7,788.46	3,443,663.76
Unallocated assets					108,377.59
<b>Total assets</b>					<b>3,552,041.34</b>
Segment liabilities	863,633.21	1,121,724.84	1,150,552.53	3,242.08	3,139,152.65
Unallocated liabilities					412,888.69
<b>Total liabilities</b>					<b>3,552,041.34</b>

Other banking operations includes income from bancassurance business ₹ 2,577.88 million during year ended March 31, 2023.

# Segmental results of sub-segment 'Digital Banking' of Retail banking segment above.

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(₹ in million)

Digital Banking (a sub-segment of Retail banking segment)	For the year ended March 31, 2023
Segment Revenue	0.08
Result	(1.63)
Segment assets	4.71
Segment liabilities	2.02

Segmental results for the year ended March 31, 2022 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking	Other Banking Operations	Total
Segment Revenue	62,669.63	95,022.75	78,567.39	4,885.40	241,145.18
Add/ (Less): Inter-segment					(16,910.00)
Exceptional Item					
Revenue net of inter- segment					224,235.18
Result	6,468.75	20,318.06	30.76	1,715.36	28,532.93
Unallocated Expenses					(14,196.04)
Operating Profit					14,336.89
Income Taxes					3,696.36
Extra-ordinary Profit/(Loss)					-
<b>Net Profit</b>					<b>10,640.54</b>
<b>Other Information:</b>					
Segment assets	1,215,658.24	1,010,562.00	842,931.13	7,574.35	3,076,725.71
Unallocated assets					109,051.64
<b>Total assets</b>					<b>3,185,777.35</b>
Segment liabilities	833,963.78	1,062,734.70	942,695.72	4,559.55	2,843,953.75
Unallocated liabilities					341,823.60
<b>Total liabilities</b>					<b>3,185,777.35</b>

Other banking operations includes income from bancassurance business ₹ 1,785.54 million during year ended March 31, 2022.

## Notes for segment reporting:

- 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).
- In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
- Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
- The unallocated assets includes tax paid in advance/tax deducted at source and deferred tax asset.
- The unallocated liabilities include Share Capital and Reserves & Surplus.
- Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.



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## 17.6.9 Related Party Disclosures

The Group has transactions with its related parties comprising of subsidiary, key management personnel and the relatives 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, 2023 are disclosed below:

Individuals having significant influence & Key Management Personnel ('KMP') (Whole time Directors) and their relatives (to the extent transactions made):

- Mr. Prashant Kumar, Managing Director & CEO  
Relative - Neelam Agarwal
- Mr. Rajan Pentel, Executive Director (Appointed with effect from February 02, 2023)  
Relatives - Anju Pentel, Aryan Pentel, Shreya Pentel, Jyoti Walia, Sangeeta Rajpal

## Investing Company

- State Bank of India Limited (SBI)

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, 2023:

(₹ in million)

Items / Related Party Category	Investing Party	Maximum Balance during the year	Whole time directors / individual having significant influence	Maximum Balance during the year	Relatives of whole time directors / individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole time director having significant influence
Deposits	#	#	52.49*	52.49@	5.69*	5.77@	-
Advances (Overdraft)	#	#	0.00	0.00	0.19*	0.25	-
Investment	#	#	-	-	-	-	-
Interest received	#	#	0.00	-	0.00	-	-
Interest paid	#	#	2.17	-	0.06	-	-
Reimbursement of Cost incurred	#	#	-	-	-	-	-
Receiving of services	#	#	-	-	-	-	-
Payable	#	#	-	-	-	-	-
Receivable	#	#	-	-	-	-	-
Sale of assets	#	#	-	-	-	-	-
Funded/Non							
Funded Exposure	#	#	-	-	-	-	-
Remuneration paid	#	#	19.79 ^	-	-	-	-

<sup>1</sup>As per Accounting Standard 18 - Related Party Disclosure, State Bank of India Limited (SBI) is an investing company for YES BANK Limited and YES BANK is associate of SBI

<sup>#</sup>Secrecy provision: As per RBI Circular RBI/DOR/2021-22/83 DOR.ACC.REC No.45/21.04.2018/2021-22 dated August 30,2021, where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party. Therefore, only the nature of relationship is disclosed, and summarized counterparty details are provided for website publication. In order to maintain secrecy of transactions pertaining to the individual parties.

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\*Represents balance as at March 31, 2023

@Represents the maximum month end balance maintained during the FY 2022-23.

^Remuneration includes remuneration of Managing Director & CEO for the period April 1, 2022 to March 31, 2023 and remuneration of Executive Director for the period February 2, 2023 to March 31, 2023.

Values of the related party transactions during the reporting period and their balances containing amounts below ₹ 10,000 are denoted as '0.00'.

During the year ended March 31, 2023, the Bank has Nil contribution to YES Foundation. YES Foundation is a public charitable trust which undertakes social charitable activities.

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, 2022:

(₹ in million)							
Items / Related Party Category	Investing Party	Maximum Balance during the year	Whole time directors / individual having significant influence	Maximum Balance during the year	Relatives of whole time directors / individual having significant influence	Maximum Balance during the year	Enterprise where relative of whole time director having significant influence
Deposits	#	#	#	#			
Investment	#	#	#	#			
Interest received	#	#	#	#			
Interest paid	#	#	#	#			
Receiving of services	#	#	#	#			
Receivable	#	#	#	#			
Payable	#	#	#	#			
Funded/Non Funded Exposure taken	#	#	#	#			
Remuneration	#	#	#	#			
Paid	#	#	#	#			

#Secrecy provision: As per RBI Circular RBI/DOR/2021-22/83 DOR.ACC.REC No.45/21.04.2018/2021-22 dated August 30,2021, where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party. Therefore, only the nature of relationship is disclosed, and summarized counterparty details are provided for website publication. In order to maintain secrecy of transactions pertaining to the individual parties.

During the year ended March 31, 2022, the Bank has contributed 'Nil' to YES Foundation. YES Foundation is a public charitable trust which undertakes social charitable activities.

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## 17.6.10 Operating Leases

Lease payments recognized in the profit and loss account for the year ended March 31, 2023 was ₹ 3,726.92 million (Previous year: ₹ 3,403.22 million). During the year ended March 31, 2022, the Group had paid minimum lease payment ₹ 3,427.58 million (Previous year: ₹ 3,359.79 million).

The following table sets forth, for the period indicated, the details of future rentals payment on operating leases:

(₹ in million)

Lease obligations	As at March 31, 2023	As at March 31, 2022
Not later than one year	3,421.81	2,957.53
Later than one year and not later than five years	11,897.91	10,190.29
Later than five years	12,665.99	11,433.36
<b>Total</b>	<b>27,985.71</b>	<b>24,581.18</b>

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.

## 17.6.11 Earnings Per Share ('EPS')

The Group 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:

(₹ in million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Basic (annualised)</b>		
Weighted average no. of equity shares outstanding	26,159,996,163	25,054,915,063
Net profit / (loss) (₹)	7,358.19	10,640.53
Basic earnings per share (₹)	0.28	0.42
<b>Diluted (annualised)</b>		
Weighted average no. of equity shares outstanding	26,245,554,354	25,057,565,654
Net profit / (loss) (₹)	7,358.19	10,640.53
Diluted earnings per share (₹)	0.28	0.42
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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## 17.6.12 ESOP disclosures

### YES BANK Limited

The Bank has three Employee Stock Option Plans Schemes in operation viz:

- (i) YBL JESOP V/PESOP II (Consisting of three sub schemes JESOP V/ PESOP II/PESOP II -2010); and
- (ii) YBL Employee Stock Option Scheme, 2020 (YBL ESOS 2020) which is consisting of YBL Joining Employee Stock Option Plan, 2018 (JESOP 2018), YBL Performance Employee Stock Option Plan, 2018 (PESOP 2018), YBL Performance Employee Stock Option Plan, 2020 (PESOP 2020) and YBL MD&CEO Stock Option Plan, 2020 (MD&CEO Plan 2020). Effective September 10, 2020 nomenclature of the scheme was changed from YBL ESOS - 2018 to YBL ESOS -2020 and all the plans under the said scheme continue to be valid. All new options have been granted under the YBL ESOS 2020 (which inter-alia consist of JESOP 2018, PESOP 2018, PESOP 2020 and MD & CEO Plan 2020. YBL ESOS 2020 and plans formulated thereunder are in compliance with the SEBI (Share Based Employees Benefits) Regulations, 2014 as amended from time to time. Source of shares are primary in nature, since the Bank has been issuing new equity shares upon exercise of options.

Grants under JESOP IV/PESOP I and JESOP V/ PESOP II -2010 had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, any options already granted under the abovementioned plans would be valid in accordance with the terms & conditions mentioned in the plans.

In accordance with the various Employee Stock Option Plans/ Schemes of the Bank as mentioned above, the Employees can exercise the options granted to them from time to time:

JESOP/PESOP	ESOP Scheme	Exercise period
JESOP	JESOP V	50% after 3 years and balance after 5 years from the Grant date
	JESOP 2018	50% after 3 years and balance after 5 years from the Grant date
PESOP	PESOP II - 2010	30%, 30% & 40% each year, from end of 3 <sup>rd</sup> year from the Grant date
	PESOP 2018	30%, 30% & 40% each year, from end of 3 <sup>rd</sup> year from the Grant date
	PESOP 2020	25% will vest at the end of 12, 24, 36, 42 months from the grant date
MD & CEO Plan	MD & CEO plan 2020	25% will vest at the end of 12, 24, 36, 42 months from the grant date

Options under all the aforesaid plans are granted for a term of 10 years (inclusive of the vesting period) and are settled with equity shares being allotted to the beneficiary upon exercise.

Summary of the status of the Bank's stock option plans as at March 31, 2023 and March 31, 2022 is set out below:

	As at March 31, 2023		As at March 31, 2022	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year	110,581,230	8,179,527	54,717,740	9,787,677
Granted during the year	132,190,469	980,000	71,479,000	525,000
Exercised during the year	3,666,651	-	47,000	-
Forfeited / lapsed during the year	23,775,439	1,563,630	15,568,510	2,133,150
Options outstanding at the end of the year	215,329,609	7,595,897	110,581,230	8,179,527
Options exercisable	33,799,652	5,328,397	16,986,335	5,663,277
Weighted average exercise price (₹)	12.98	-	13.50	-
Weighted average remaining contractual life of outstanding option (years)	1.50	2.38	1.62	1.73

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The Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted beginning from April 01, 2021. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognized as compensation expense over the vesting period. As a result, 'Employees cost' for the year ended March 31, 2023 is ₹ 216.26 million and ₹ 82.42 million for the year ended March 31, 2022. The Bank has adopted the Fair Value method (based on Black-Scholes pricing model), for pricing and accounting of options for the year ended March 31, 2023. If the Bank had adopted the Fair Value for all the options granted till March 31, 2021, the net profit after tax would have been lower by ₹ 53.24 million (the net profit after tax would have been lower by ₹ 175.95 million in previous year), There will be no impact on the basic earnings per share and diluted earnings per share i.e. ₹ 0.27 per share (Previous year: ₹ 0.42 per share instead of ₹ 0.43 per share) due to the impact of the aforesaid mentioned difference between the Intrinsic Value of the Options and the Fair Value of the Options.

The following assumptions have been made for computation of the fair value of ESOP granted for the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Risk free interest rate	6.53%-7.57%	4.06%-6.75%
Expected life	1.5 yrs-7.5 yrs	1.5 yrs-7.5 yrs
Expected volatility	24.18%-49.38%	41.73%-60.75%
Expected dividends	1.10%	1.10%

In computing the above information, certain estimates and assumptions have been made by the Management.

## YES Securities India Ltd. ('YSIL')

The employees of YSIL are granted stock options of the YES Securities India Ltd. as below:

- Employee Stock Option Scheme 2018
- Performance Employee Stock Option Scheme 2020

The schemes include provisions for grant of options to eligible employees of the YSIL. All the aforesaid schemes have been approved by the Board Remuneration Committee and the Board of Directors.

Options under all the aforesaid plans are granted for a term of 42 months (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 YSIL stock option plans granted to employees as at March 31, 2023 and March 31, 2022 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year – Lot 1	2,165,000	-	-	-
Granted during the year	-	-	2,905,000	-
Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	405,000	-	740,000	-
Options outstanding at the end of the year	1,760,000	-	2,165,000	-
Weighted average exercise price	12.43	-	12.43	-
Options outstanding at the beginning of the year – Lot 2	-	-	-	-

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Particulars	As at March 31, 2023		As at March 31, 2022	
	PESOP	JESOP	PESOP	JESOP
Granted during the year	2,825,000	255,000	-	-
Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	187,500	30,000	-	-
Options outstanding at the end of the year	2,637,500	225,000	-	-
Weighted average exercise price	38.55	38.55	-	-

YSIL has issued ESOP's at fair value as on issue date as per the discounted cashflow method. The 'Employees cost' for the YSIL for the year ended March 31, 2023 is ₹ 2.14 million and ₹ 8.03 million for the year ended March 31, 2022.

## 17.6.13 Deferred Taxation

The deferred tax asset of ₹ 89,411.54 million as at March 31, 2023 and ₹ 91,842.08 million as at March 31, 2022, 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 million)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation	363.15	670.86
Provision for gratuity and unutilized leave	307.15	429.29
Provision for Non-Performing Assets	7,576.97	49,668.84
Amortization of premium on HTM securities	77.17	77.17
Business Loss	63,628.05	19,309.20
Unabsorbed Depreciation	2,284.44	914.39
Provision for standard advances	4,418.70	4,795.27
Other Provisions	10,755.90	15,977.06
<b>Total</b>	<b>89,411.54</b>	<b>91,842.08</b>

The Group has a total deferred tax asset of ₹ 89,411.54 million as at March 31, 2023 (Previous year: ₹ 91,842.08 million). During the year ended March 31, 2023, the Group has reported net consolidated profit of ₹ 7,358.19 million (Previous year: ₹ 10,640.53 million). The Group continues to carry such deferred tax asset in its Balance Sheet, as basis financial projections approved by the Board of Directors, there is reasonable certainty of having sufficient taxable income to enable realization of the said deferred tax asset as specified in Accounting Standard-22 "Accounting for Taxes on Income". The Group has opted to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income Tax basis the rate prescribed in the aforesaid section.

## 17.6.14 Dues to Micro, Small and Medium 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 ₹ 803.62 million (Previous year ₹ 1,046.93 million) worth bills which were paid with delays to micro and small enterprises. There have been ₹ 5.54 million worth bills remained unpaid with delays as at March 31, 2023 (Previous year: ₹ 26.72 million). There have been no demand of interest on these payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

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## 17.6.15 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.

## 17.6.16 Credit / Debit card reward points

Provision for credit card and debit card reward points for the year ended March 31, 2023 and March 31, 2022.

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening provision	529.45	451.99
Provision made during the year	464.65	235.27
Utilised/Write-back of provision	(350.43)	(157.81)
<b>Closing provision</b>	<b>643.67</b>	<b>529.45</b>

The valuation of credit card and debit card reward points is based on actuarial valuation obtained from an independent actuary.

## 17.6.17 Corporate Social Responsibility (CSR)

Amount required to be spent by the Group on CSR during the year was 'Nil' (Previous year: ₹ 'Nil'). Amount spent towards CSR during the year and recognised as expense in the Profit and Loss account on CSR related activities is 'Nil' (Previous year: ₹ 'Nil').

## 17.6.18 Net Overnight Open Position (NOOP) of the Group

The Group's Net Overnight Open Position (NOOP) for the year ended March 31, 2023 is ₹ 2,080.18 million (Previous year: ₹ 1,868.11 million).

## 17.6.19 Tier I and Tier II Capital

During the financial year ended March 31, 2023 and March 31, 2022, the Bank has not issued any Tier I or Tier II instruments.

## Write Down of AT1 Bonds

On March 5, 2020, Central Government in terms of Section 45 of the Banking Regulation Act, 1949 ("BR Act") imposed moratorium on the Bank. Reserve Bank of India ('RBI') in exercise of its powers conferred under Section 36ACA of the BR Act superseded the then Board of Directors and appointed an Administrator to manage the affairs of the Bank w.e.f. March 5, 2020. Subsequently on March 13, 2020, through the 'YES BANK Limited Reconstruction Scheme, 2020' ("the YES BANK Reconstruction Scheme"), the relevant authorities (i.e., Central Government in consultation with RBI) decided to "reconstitute" the Bank. Further, in terms of the YES BANK Reconstruction Scheme, the Administrator was to continue in office until the Board of Directors mentioned in the Yes Bank Reconstruction Scheme assumed office, i.e., on March 26, 2020.

In light of the above, the Administrator, on behalf of the Bank, consequent to the invocation of Section 45 of the BR Act, and to protect the interest of the Bank and its depositors, was constrained to write down (₹ 84,150 million) two tranches of the Additional Tier 1 Bonds ("AT-1 Bonds") issued in 2016 and 2017, in compliance with the contractual covenants and applicable RBI guidelines, on March 14, 2020.

Aggrieved by the said write down of AT-1 Bonds, AT-1 Bondholders filed various writ petition(s), civil suit(s), criminal and consumer complaint(s) across India challenging the decision of the Bank to write down the AT-1 Bonds since 2020. The same are pending adjudication, save and except the batch of writ petition(s) filed before the Hon'ble Bombay High Court and one writ petition before the Madras High Court (as mentioned below).

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## Judgment dated September 30, 2020 of the Hon'ble Madras High Court ("MHC"):

The RBI Master Circular on Basel III Capital Regulations, insofar as it relates to issuance and write down of AT-1 Bonds, was challenged before the Division Bench of the Hon'ble MHC in the Writ Petition titled Piyush Bokaria Vs. Reserve Bank of India and Ors., (being W.P. (Civil) 12586 of 2020). The Hon'ble MHC vide its judgment dated September 30, 2020 upheld the validity of the RBI Master Circular in relation to the AT-1 Bonds. Additionally, with respect to the aspect of writing down of AT-1 Bonds, the Hon'ble MHC observed that one of the features of AT-1 Bonds is that they can be written-down before the equity shares bear losses and considering that the Petitioners purchased the AT -1 Bonds in the secondary market, they cannot claim to be ignorant of the terms and conditions thereof. The Hon'ble MHC also noted the loss absorbency feature of the AT-1 Bonds and dismissed the Writ Petition.

## Judgment dated January 20, 2023 of the Hon'ble Bombay High Court ("BHC"):

Multiple writ petition(s) were filed before the Hon'ble BHC challenging the write down of AT-1 Bonds and the stock exchange intimation dated March 14, 2020 made in relation to the write down. The Hon'ble BHC vide its judgment dated January 20, 2023 set aside the stock exchange intimation and decision of the Bank to write down the AT-1 Bonds ("Judgment"). At the request of the Bank, the Hon'ble BHC stayed the order for a period of 6 (six) weeks.

## Proceedings before the Hon'ble Supreme Court of India ("Supreme Court"):

Aggrieved by the Judgment of the Hon'ble BHC, the Bank and the RBI filed separate Special Leave Petition(s) ("SLPs") before the Hon'ble Supreme Court challenging the Judgement of the Hon'ble BHC. On March 3, 2023, the Hon'ble Supreme Court issued notice and extended the stay granted by the Hon'ble BHC, subject to the final orders of the Hon'ble Supreme Court. The SLPs are pending hearing. Further, the Central Government has also filed a separate SLP before the Hon'ble Supreme Court challenging the Judgement of the Hon'ble BHC.

Given that the write down of the AT-1 Bonds was in accordance with the relevant regulations and as RBI and Central Government ("relevant authorities" in terms of the RBI Master Circular) have also filed SLPs challenging the Judgement of Hon'ble BHC, the Bank has estimated that there should not be any material financial impact of the matter under litigation. Upon final verdict of the Hon'ble Supreme Court, financial impact, if any, on the results and/or other financial information shall be accounted for in future reporting periods.

Separately, Securities and Exchange Board of India ("SEBI") issued a Show Cause Notice dated October 28, 2020 to the Bank and other noticee(s) (ex-employees of the Bank) alleging violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. Thereafter, SEBI vide its order dated April 12, 2021 imposed penalty of ₹ 250 million on the Bank under Section 15 HA of Securities and Exchange Board of India Act, 1992 for the alleged mis-selling of AT-1 Bonds in the secondary market. SEBI also imposed penalties on other noticee(s). Aggrieved by the above-mentioned SEBI order, the Bank and other noticee(s) preferred separate Appeal(s) before the Hon'ble Securities Appellate Tribunal, Mumbai ("SAT"). SAT heard the Appeal(s) and the effect and operation of the SEBI order dated April 12, 2021 has been stayed. The said Appeal(s) are pending final hearing.

### 17.6.20 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, 2023 and the year ended March 31, 2022 has been transferred without any delay.

### 17.6.21 Disclosure on borrowing and lending activities

The Bank, as part of its normal banking business, grants loans and advances, makes investments, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of the Bank's normal banking business and are undertaken in accordance with the guidelines prescribed by the Reserve Bank of India.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.



# Consolidated Financial Statements

For the year ended March 31, 2023

The Bank has also not received any fund from any persons or entities, including foreign entities ('Funding Party') with the understanding, whether recorded in writing or otherwise, that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 17.6.22 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 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 Group is contingently liable	Purchase of securities pending settlement, capital commitments, amount deposited with RBI under Depositor Education Awareness Fund (DEAF), bill re-discounting, Foreign Exchange Contracts (Tom & Spot), Custodian operations, undrawn partial credit enhancement facilities, When Issued (WI) securities
Refer Schedule 12 for amounts relating to contingent liability		

## 17.6.23 Divergence in Asset Classification and Provisioning for NPAs

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Based on the condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for FY2022 and FY2021.

# Consolidated Financial Statements

For the year ended March 31, 2023

## 17.6.24 Other expenditure

Other expenditure includes IT related expenditure ₹ 5,972.31 million (Previous year: ₹ 4,107.14 million), Loan sourcing Fees and Charges paid to Collection and Direct Sales Agent (DSA) ₹ 11,268.56 million (Previous year: ₹ 8,172.86 million), Professional Fees and Commission ₹ 5,723.46 million (Previous year: ₹ 3,312.3 million) exceeding 1% of total income.

## 17.6.25 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.

## Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to current year classification.

### For M P Chitale & Co

Chartered Accountants

Firm's Registration No: 101851W

### Anagha Thatte

Partner

Membership No. 105525

### For Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

### Vineet Saxena

Partner

Membership No. 100770

Mumbai

April 22, 2023

### For and on behalf of the Board of Directors

**YES BANK Limited**

CIN: L65190MH2003PLC143249

### Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

### Sanjay Khemani

Director

(DIN: 00072812)

### Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

### Rajan Pental

Director

(DIN: 08432870)

### Niranjan Banodkar

Chief Financial Officer

### Shivanand R. Shettigar

Company Secretary

# FORM AOC -1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(₹ in thousands)

1	Sl. No.		
2	Name of the subsidiary	YES Securities (India) Limited	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		NA
5	Share capital		800,000
6	Reserves & surplus		447,200
7	Total assets		7,307,700
8	Total Liabilities		6,060,500
9	Investments		-
10	Turnover		2,186,600
11	Profit / (Loss) before taxation		184,100
12	Provision for taxation		-
13	Profit / (Loss) after taxation		184,100
14	Proposed Dividend		-
15	% of shareholding		100%

- Names of subsidiaries which are yet to commence operations- Nil
- Names of subsidiaries which have been liquidated or sold during the year- Nil

### Part "B": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

**Not Applicable**

### Please find below Basel III Disclosure as at March 31, 2023.

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS – PILLAR III In accordance with RBI circular RBI/2022-23/12. DOR.CAP.REC.3/21.06.201/2022-23 on 'Basel III Capital Regulations' read together with RBI circular DBR.No.BP. BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards – Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio on a consolidated basis under Basel III Framework. The Pillar III disclosures have not been subjected to review or audit 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?name=basel\\_iii\\_disclosure\\_mar\\_31\\_2023.pdf](https://www.yesbank.in/pdf?name=basel_iii_disclosure_mar_31_2023.pdf)

# Assurance Statement



**KPMG Assurance and Consulting Services LLP**  
15th and 16th Floor,  
Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai - 400063, India.

Telephone: +91 (22) 6134 9200  
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Internet: [www.kpmg.com/in](http://www.kpmg.com/in)  
Email: [indiawebsite@kpmg.com](mailto:indiawebsite@kpmg.com)

## **Independent Limited Assurance Report to YES Bank Limited on the Integrated Report 2022-23**

We ('KPMG Assurance and Consulting Services LLP', or 'KPMG') have been engaged by YES Bank Limited ('the Company') for the purpose of providing an independent limited assurance on the select non-financial disclosures in the Yes Bank Integrated Report 2022-23 ('the Integrated Report' or 'report') as described in the 'scope, boundary, and limitations' below.

Our responsibility is to provide a limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that select non-financial disclosures in the company's Report are *properly prepared*, in all material respects, based on GRI Standards 2021 and <IR> Framework 2021 attached to this report is not fairly stated.

### ***Company's Responsibilities***

The management at the company is responsible for *preparing* the report that is free from material misstatement in accordance with the GRI Standards 2021, <IR> Framework 2021 and for the information contained therein. The management at the company is also responsible for preparing the designed report accompanying statement at page 3.

This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of report that is free from material misstatement, whether due to fraud or error. It also includes conducting the materiality assessment process mentioned in the GRI Standards 2021 to identify material topics relevant for the company based on the responses of the internal and external stakeholders. The company ensures that it complies with GRI Standards 2021 and Local Regulations. It designs, implements, and effectively operate controls to achieve the stated control objectives; selects and applies policies; makes judgments and estimates that are reasonable in the circumstances; and maintains adequate records in relation to the report.

Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the company complies with laws and regulations applicable to its activities. The company is responsible for ensuring company's staff involved with the preparation of the report are properly trained, systems are properly updated and that any changes in reporting encompass all significant operational sites.

### ***Our Responsibilities***

Our responsibility is to examine the report prepared by the company and to report thereon on selected non-financial disclosures in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the report is in alignment with GRI Standards 2021 in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



The assurance procedures selected depend on our understanding of the environment, social indicator and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of environment, social indicator, and other engagement circumstances, we have considered the process used to prepare non-financial sustainability disclosure the Report 2022-23 in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the company's process or internal control over the preparation and presentation of the Report.

Our engagement in regard of the select non-financial sustainability disclosures, also included: assessing the appropriateness of the report, the suitability of the criteria used by the company in preparing the report in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the report and the reasonableness of estimates made by company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the financial disclosures nor of the underlying records or other sources from which the financial statements and information was extracted.

We also read other information not included in the scope of the engagement. Included in the document annual report that contains the Sustainability information and our report thereon in accordance with GRI Standards 2021 in order to identify material inconsistencies, if any, with the Annual Report.

### Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the selected sustainability disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report to design assurance procedures that are appropriate in the circumstances.

These procedures have been divided in three phases:

#### Phase 1

- Interactions with Process Heads to understand their sustainability vision
- Interaction with the company's sustainability team to understand the translation of the Board of Directors vision into action
- An assessment of the company's existing systems used for data collection and reporting by the company relevant for fair presentation of the company's sustainability disclosures.
- Review of such systems, including related non-financial internal controls
- Review of the company's approach for stakeholder engagement and materiality assessment process including existing materiality scoring criteria.



### Phase 2

- Testing, on a sample basis, of evidence supporting the data through site visits and corporate reviews.
- Evaluating the appropriateness of the quantification methods used to arrive at the non-financial disclosures presented in the report
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by the company for data analysis
- Assessment of the consistency between the data for the selected sustainability performance indicators and the related written comments in the narrative of the report.
- Interviews with staff responsible for data collection, collation and reporting.

### Phase 3

- Preparation of observation letter based on review and classification of findings for potential risk to sustainability framework
- Discussion of the observations and findings with the sustainability team
- Issue of assurance statement and sharing with the management of the company

Review of sustainability performance data was carried out through visit to the operations in Yes Bank corporate head office, Mumbai. Appropriate documentary evidence were obtained from the relevant authority at respective sites and at corporate office to support our conclusions on the information and data reviewed

### *Characteristics and Limitations of the report*

We conducted our assurance in accordance with the

- Limited Assurance requirements of International Federation of Accountants' (IFAC) 'International Standard on Assurance Engagement (ISAE) 3000 (revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information'.
  - Under this standard, we have reviewed the information presented in the Report against the characteristics of relevance, completeness, reliability, neutrality, and understandability.
  - Limited assurance consists primarily of enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement.

### **Scope, Boundary and Limitations**

- The Scope of the assurance covers selected non-financial sustainability disclosures of company, for the period of 01 April 2022 to 31<sup>st</sup> March 2023. The reporting boundary includes company's India operations with 1,192 Branches including 9 Offices in the report, the review of sustainability performance data was limited to these locations only.



**Reference criteria – GRI Standards 2021**

**GRI 2 – General Disclosures 2021:** GRI 2-3, 2-4\*, 2-7, 2-9, 2-29

**GRI 3 – Material Topics 2021:** 3-1, 3-2, 3-3

**GRI 300: Environmental**

- GRI 302 - Energy 2016: 302-1, 302-2, 302-3, 302-4, 302-5\*\*
- GRI 303 - Water and Effluents 2018: 303-3
- GRI 305 - Emissions 2016: 305-1, 305-2, 305-3\*\*\*, 305-4, 305-5, 305-6, 305-7
- GRI 306 - Waste 2020: 306-3, 306-4, 306-5

**GRI 400: Social**

- GRI 401 - Employment: 401-1, 401-2, 401-3
- GRI 404 - Training and Education: 404-1, 404-2, 404-3
- GRI 405 - Diversity and Equal Opportunity: 405-1, 405-2
- GRI 417 – Marketing and Labeling 2016: 417-2, 417-3
- GRI 418 - Customer Privacy: 418-1

*\*Only for restatement of Non-Financial Disclosure related to Emissions from data centers*

*\*\*Includes Energy saved by avoiding the use of paper through digital initiatives*

*\*\*\*The scope of assurance for scope-3 GHG emissions covers – Purchased goods and services, Business Travel, Employee Commute, Upstream leased asset, and Investments.*

**Limitations**

The assurance scope excludes following:

- Data related to Company’s financial performance.
- We will not, pursuant to this letter, perform any management function for you nor make any decision relating to the services provided by us in the terms of this letter. You are responsible for making management decisions, including accepting responsibility for the results of our services.
- Additionally, management of the Company is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations, and monitoring ongoing activities.
- Data and information outside the defined Reporting Period
- Data outside the operations mentioned in the Assurance Boundary above unless and otherwise specifically mentioned in this statement.
- The Company’s statements that describe expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in reporting criteria above.
- Aspects of the Report other than those mentioned under the scope and boundary above.
- Review of legal compliances.
- Our scope and associated responsibility exclude for the avoidance of doubt, any form of review of the commercial merits, technical feasibility, accuracy, compliance with applicable legislation for the project, and accordingly we will express no opinion thereon. We will also not be required to verify any of the judgments and commercial risks associated with the project, nor comment upon the possibility of the financial projections being achieved.



### **Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited review and procedures performed, nothing has come to our attention that causes us to believe that the selected non-financial disclosures in the company's Integrated Report are not *properly prepared*, in material aspects, in accordance with GRI Standards 2021 and the International <IR> Framework 2021.

The report has been evaluated against GRI Standards 2021. These criteria have been developed only for ESG related disclosures. As a result, the report may not be suitable for another purpose.

### **Independence**

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social, and economic information in as per requirements of ISAE 3000 (Revised).

Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC-1, and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

### **Restriction of Use of Our Report**

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the company for any purpose or in any context. Any party other than the company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than the company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the company on the basis that it shall not be copied, referred to or disclosed, in whole (save for the company's own internal purposes) or in part, without our prior written consent.

A handwritten signature in blue ink, appearing to read 'Gargi Dhongde', written over a horizontal line.

Gargi Dhongde,

Director, ESG

KPMG Assurance and Consulting Services LLP

Attachment 1: Management's statement may be attached here.



# GRI Content Index

<b>Statement of use</b>	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2022-23					
<b>GRI 1 used</b>	GRI 1: Foundation 2021					
<b>Applicable GRI Sector Standard(s)</b>	Not Applicable					
GRI Standard	Disclosure	Location (Page numbers)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>General Disclosures</b>						
GRI 2: General Disclosures 2021	2-1 Organisational details	3, 276, 337				
	2-2 Entities included in the organisation's sustainability reporting	3				
	2-3 Reporting period, frequency and contact point	3				
	2-4 Restatements of information	4, 126, 151				
	2-5 External assurance	3, 457				
	2-6 Activities, value chain and other business relationships	5, 54, 55, 26-36, 121-124, 130-137, 138-140				
	2-7 Employees	56, 98, 99, 111				
	2-8 Workers who are not employees	NA			The Bank does not have workers	
	2-9 Governance structure and composition	18-21, 90, 91, 227-233, 235, 236				
	2-10 Nomination and selection of the highest governance body	195, 225-228, 236				
	2-11 Chair of the highest governance body	18				
	2-12 Role of the highest governance body in overseeing the management of impacts	67, 68, 92, 95-97, 252-254				
	2-13 Delegation of responsibility for managing impacts	67, 68, 92				
	2-14 Role of the highest governance body in sustainability reporting	5, 6, 73, 74				
	2-15 Conflicts of interest	18, 19, 194, 235, 291				
	2-16 Communication of critical concerns	100, 103, 285, 95-97				
	2-17 Collective knowledge of the highest governance body	289				
	2-18 Evaluation of the performance of the highest governance body	197, 198				
	2-19 Remuneration policies	92, 244-247				
	2-20 Process to determine remuneration	384-389				
	2-21 Annual total compensation ratio	92, 204				
	2-22 Statement on sustainable development strategy	14, 15				
	2-23 Policy commitments	53, 95-97				

<b>Statement of use</b>	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2022-23					
<b>GRI 1 used</b>	GRI 1: Foundation 2021					
<b>Applicable GRI Sector Standard(s)</b>	Not Applicable					
GRI Standard	Disclosure	Location (Page numbers)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	2-24 Embedding policy commitments	92, 95-97, 93, 94, 99-111, 115-129, 146-148, 130-136, 139, 149, 150,				
	2-25 Processes to remediate negative impacts	95-97, 100, 103, 134-136, 139 149, 150 285, 312, 313				
	2-26 Mechanisms for seeking advice and raising concerns	95-97, 100, 103, 136, 139				
	2-27 Compliance with laws and regulations	263, 289, 290, 314, 315, 373				
	2-28 Membership associations	310				
	2-29 Approach to stakeholder engagement	70-73				
	2-30 Collective bargaining agreements	NA			The Bank does not have collective bargaining agreements. All YES BANK employees are free to exercise the lawful rights to Freedom of Association	
<b>Material Topics</b>						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	73-75				
	3-2 List of material topics	76-87				
<b>Climate Change</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	76, 77, 115-126				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	116, 121-124				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	121, 122				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	125, 126, 306				
	302-2 Energy consumption outside of the organisation	125, 126				
	302-3 Energy intensity	125, 126,				
	302-4 Reduction of energy consumption	124				
	302-5 Reductions in energy requirements of products and services	129				

<b>Statement of use</b>	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2022-23					
<b>GRI 1 used</b>	GRI 1: Foundation 2021					
<b>Applicable GRI Sector Standard(s)</b>	Not Applicable					
GRI Standard	Disclosure	Location (Page numbers)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	125, 126				
	305-2 Energy indirect (Scope 2) GHG emissions	125, 126				
	305-3 Other indirect (Scope 3) GHG emissions	125, 126				
	305-4 GHG emissions intensity	125, 126				
	305-5 Reduction of GHG emissions	124-126				
	305-6 Emissions of ozone-depleting substances (ODS)	125, 126				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	125, 126				
<b>Environmental Sustainability</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	76, 77				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	128				
	303-3 Water withdrawal	128				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	127				
	306-2 Management of significant waste-related impacts	127				
	306-3 Waste generated	127				
	306-4 Waste diverted from disposal	127				
	306-5 Waste directed to disposal	127				
<b>Financial Inclusion</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	76, 77				
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	130, 137				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	134, 146-148, 149, 150				
	413-2 Operations with significant actual and potential negative impacts on local communities	134-136				

<b>Statement of use</b>	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2022-23					
<b>GRI 1 used</b>	GRI 1: Foundation 2021					
<b>Applicable GRI Sector Standard(s)</b>	Not Applicable					
GRI Standard	Disclosure	Location (Page numbers)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Digital Leadership</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 79				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	140-142				
<b>Communication &amp; Disclosures</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 79				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions take	100				
<b>Collaborative and Entrepreneurial Work Culture &amp; Market-aligned Compensation</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 79				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	111				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	293				
	401-3 Parental leave	101, 102				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	102				
	403-2 Hazard identification, risk assessment, and incident investigation	102				
	403-9 Work-related injuries	102, 110				
	403-10 Work-related ill health	110				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	109				
	404-2 Programs for upgrading employee skills and transition assistance programs	Skill Upgradation - 106, 108; Transition assistance - NA				The Bank does not provide transition assistance programmes.
	404-3 Percentage of employees receiving regular performance and career development reviews	106				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	90, 91, 99				
	405-2 Ratio of basic salary and remuneration of women to men	99				
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	100				

<b>Statement of use</b>	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2022-23					
<b>GRI 1 used</b>	GRI 1: Foundation 2021					
<b>Applicable GRI Sector Standard(s)</b>	Not Applicable					
GRI Standard	Disclosure	Location (Page numbers)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Customer Experience</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	80, 81				
Net Promoter Score (NPS)	The Bank has institutionalised NPS as a key metric for measuring Customer Experience. NPS is calculated by subtracting the percentage of customers who are Detractors (i.e. customer rating between 0 and 6) from the percentage who are Promoters (i.e. customer rating 9 or 10)	81, 145				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	81				
<b>Data Security and Privacy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	80, 81				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	81				
<b>Employee engagement; retention and turnover</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 83				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	111				
<b>Brand Image</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 83				
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	314, 315, 263				
	417-3 Incidents of non-compliance concerning marketing communications	83				

<b>Statement of use</b>	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2022-23					
<b>GRI 1 used</b>	GRI 1: Foundation 2021					
<b>Applicable GRI Sector Standard(s)</b>	Not Applicable					
GRI Standard	Disclosure	Location (Page numbers)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Culture of Compliance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 83				
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	83, 314, 315, 263				
	417-3 Incidents of non-compliance concerning marketing communications	83				
<b>Asset Quality and Credit Quality</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 85				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	24, 25, 361-367, 151				
<b>Value System; Long Term Vision &amp; Mission</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 85				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	24, 25, 46, 47, 151				
<b>Cost Management</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 85				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	151				
<b>Liability Generation</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	84, 85				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	24, 25, 151				
<b>Governance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	86, 87				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	90, 91, 18, 19				
<b>Resilience and Recovery</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	86, 87				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	46, 47, 151				

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	Resilience of the Bank's strategy, considering different climate-related scenarios, including a 2°C or lower scenario	115,116, 118-120
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	The Bank's processes for managing climate-related risks	117-126
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