



Official Banking Partner

**Nikhat Zareen**
(Boxing)**Esha Singh**
(Pistol Shooting)**Neeraj Chopra**
(Javelin Throw)**Harmanpreet Singh**
(Field Hockey)**Tajinderpal Singh**
(Shot Put)

Key highlights FY 2023-24

₹ 1,251 crore

Net Profit

₹ 13,209 crore

Total Net Income

₹ 227,799 crore

Total Advances

~ ₹ 114,000 crore

New Sanction/Disbursements

₹ 266,372 crore

Total Deposits

30.9%

CASA Ratio

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



FINANCIAL
CAPITAL



HUMAN
CAPITAL



NATURAL
CAPITAL



MANUFACTURED
CAPITAL



SOCIAL AND
RELATIONSHIP
CAPITAL

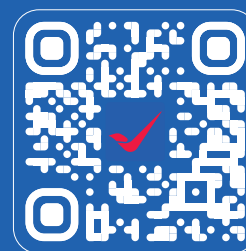


INTELLECTUAL
CAPITAL

For more details → pg 90

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www.yesteamindia.com



See this report online at
www.yesbank.in

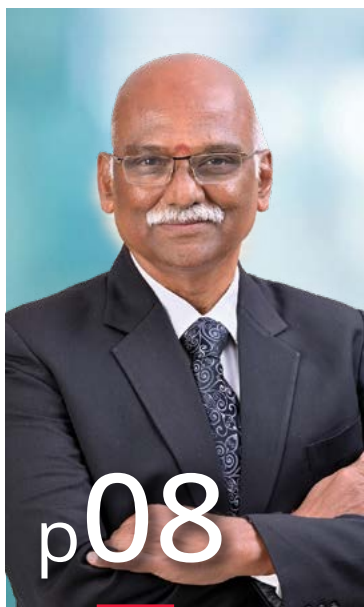
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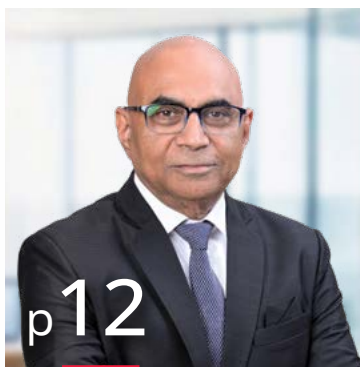
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Management Discussion
and Analysis



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



YES BANK's partnership with the Indian Olympic Association as the Official Banking Partner to Team India for Paris Olympics 2024 transcends the conventional boundaries of sponsorship. This collaboration is ingrained with a deeper commitment, not just to the athletes, but also to the spirit of our nation's aspirations and dreams.

The partnership aims to demonstrate the strength an ecosystem plays in nurturing Olympic talent. In line with this, YES BANK launched the campaign '*Milkar Jitayenge*', highlighting the shared effort behind every victory. YES BANK's **brand ethos**, '*Life Ko Banao Rich*', is the bedrock of this philosophy, emphasising how sports add richness to life. As our athletes compete globally, their achievements contribute to our national memory and pride, creating a legacy of shared experiences.

In our support for Team India at the Paris Olympics 2024, we recognise that every athlete's journey to excellence is a collaborative effort. It is the unspoken dedication of families, friends, coaches and the support staff that lays the foundation for a champion.

To rally the nation in a chorus of support for our Paris-bound Olympic athletes, we proudly launched

the microsite yesteamindia.com. This platform empowers well-wishers of Team India from within and outside the country to send their heartfelt best wishes to our Olympians. The microsite was ceremoniously inaugurated by **Dr. P.T. Usha, President of the Indian Olympic Association and Hon'ble Member of Parliament, Rajya Sabha**, during a spirited send-off ceremony organised by the IOA.

To further honour this collaboration and empower our athletes, we are delighted to introduce '**YES Glory**', a special savings account proposition for the Indian Olympic contingent heading to Paris. Through this gesture, YES BANK extends best wishes to the athletes and acknowledges the importance of their families in their journey. The benefits of '**YES Glory**' will also be available to the athletes' immediate family members.



Together, we believe that with
dedication and collaboration, we
will indeed

#MilkarJitayenge.

Send your wishes
to Team India

Scan the QR code





About this Report

YES BANK is delighted to present its second 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 the larger value chain, during the financial year 2023-24.

Scope and Boundary¹

This Integrated Annual Report (IR) contains financial and non-financial disclosures pertaining to the business and operations of YES BANK Limited (YES BANK), for the financial year 2023-24. The Bank has one subsidiary, Yes Securities (India) Limited, which only forms part of the consolidated financials presented in this report, in accordance with statutory requirements.

The operational boundary for this report covers the following:

1

The Bank's eight major offices in India (including the Bank's Registered Office, YES BANK House in Mumbai) and 51 Regional Offices

2

Its 1,234 Branches and 1,290 ATMs across 28 States and six Union Territories of India

3

Its two international facilities, i.e., a representative office in Abu Dhabi and an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)

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

¹GRI 2-1, GRI 2-2, GRI 2-3

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, 2023 to March 31, 2024 (FY 2023-24). The Bank's sustainability disclosures are published on an annual basis¹
- 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 (BRSR), as part of this Integrated Annual Report, in alignment with the National Guidelines on Responsible Business Conduct (NGRBC) and the BRSR Core – Framework

Approach and Preparation

In line with the Principles of the International <IR> framework, YES BANK's Integrated Annual 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. The Report highlights the Bank's management approach, strategy and performance against its material topic and their impacts.

The Report also outlines interactions between the Bank's material topics, strategy, risk management and governance frameworks, 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 across the Bank, and with review and oversight provided by senior and top management. The Report contains three restatements pertaining to the Bank's environmental performance, which can be referred to on  pages 354, 355 and 358¹.

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 in FY 2023-24. 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.

Assurance¹

The statutory auditors of the Bank's financial statements and the assurance partner for its non-financial disclosures have been appointed by the Board of Directors on the recommendation by the top management. The financial statements in this report have been independently audited by Chokshi & Chokshi LLP, Chartered Accountants (FRN 101872W/W100045) ('C&C') and G.M. Kapadia & Co., Chartered Accountants (FRN 104767W) (GMK). Independent assurance for non-financial disclosures including, reasonable assurance of BRSR Core key performance indicators included in the Bank's BRSR, limited assurance of non-financial disclosures as per GRI Standards (2021); and limited assurance of the report's alignment with <IR> framework, have been provided by BSI Group India Private Ltd.

Feedback¹

YES BANK welcomes your feedback and suggestions on this Report, which may be communicated to shareholders@yesbank.in or responsible.banking@yesbank.in

This report highlights the Bank's integrated approach and captures the interlinkages between the Bank's capitals, material topics, risks and strategy. To view these interlinkages, look for the following symbols in the "Our Performance" section:

	Capitals (C)
	Strategic Business Objectives (SBOs)
	Risks (R)
	Material Topics (M)

¹GRI 2-3, GRI 2-4, GRI 2-5



At a Glance

A New Generation Private Sector Bank

At YES BANK, we are driven by a deep purpose and relentless commitment to our customers.

Headquartered in Mumbai, YES BANK is the 6th largest private sector Bank in India offering full-fledged banking solutions with its comprehensive bouquet of product and services, digital solutions catering to Retail, MSME, Wholesale and Rural segments. The Bank has a pan India presence with 1,234 branches, 219 BCBOs and 1,290 ATMs (including CRMs and BNAs) in over 300 districts in India.

The Bank operates its Brokerage business through YES SECURITIES, a wholly-owned subsidiary of the Bank. The Bank has a pan-India presence including an International Banking Unit (IBU) at GIFT City in the Ahmedabad district, Gujarat and a Representative Office in

Abu Dhabi. Through a growing pan-India presence, we empower our customers to achieve their full potential and serve India's future businesses.

The Bank's vision rests on three strategic pillars :

- Universal Banking with Granular Focus: Maintain our role as a universal bank while concentrating on refining and expanding each business segment
- Digital Leadership and Relationship Banking: Leverage our established digital market leadership to serve the new-age economy and future value pools, ensuring we also support and capture transactional business

- Employee-centric Culture and Efficient Processes: Prioritise an employee-focussed culture, streamline processes, and develop a scalable technology infrastructure

YES BANK has consistently fostered a strong sustainability ethos within its culture, enabling it to respond effectively to evolving ESG expectations, regulations, and opportunities. The Bank continuously monitors ESG and climate developments, collaborating with stakeholders to integrate key sustainability themes and practices into its operations.

Our Intrinsic Strengths

₹ 405,493

crore

Total Assets

₹ 227,799

crore

Total Advances

₹ 266,372

crore

Total Deposits

Share in Total Advances

62%

Retail and SME

15%

Mid-Corporate

23%

Corporate

Assessing our market impact

#1

In UPI P2M transactions with 34.5% share

#1

In AePS transaction volumes with 29.3% market share

#2

In NEFT Outward Debit Transactions

Building a formidable and dedicated talent pool

28,001

Employees

9 Years

Average years of service in Bank for Top Management

2nd Year in a row

Certified Great Place to Work® in India, 2024

Reaching out to a wide customer base

1,234

Branches

219

BC Banking Outlets

300+

Districts

1,290

ATMs/BNAs/CRMs

Doing business responsibly

74* / 100

Highest S&P Global ESG score amongst Indian banks*

A- (Leadership Band)

Highest CDP rating among Indian banks for 2023 Climate Change disclosures

6.56 lakh

Active women customers in rural India

*YES BANK achieved the highest S&P Global ESG score amongst Indian banks based on the S&P Global Corporate Sustainability Assessment (CSA) 2023. The Bank's S&P Global ESG score stood at 74 (out of 100) as at February 16, 2024. The Bank's S&P Global CSA Score stood at 73 (out of 100) as of December 1, 2023



Message from Chairman¹

PP

DURING FY 2023-24,
YES BANK PROGRESSED
WELL ON ITS KEY
STRATEGIC OBJECTIVE
OF PROFITABILITY
IMPROVEMENT AND
MADE FURTHER
ADVANCEMENTS
ACROSS MOST KEY
FINANCIAL AND
OPERATING METRICS.



¹GRI 2-22

Dear Shareholders,

As I reflect on the last eighteen months, the time since I became the Chairman of YES BANK, the Bank has scripted a story of resilience and progress, achieving its third consecutive year of full-year profitability in the Financial Year 2023-24.

Post moratorium, YES BANK has exemplified resilience and adaptability, successfully navigating multiple challenges that came along the way. The collective spirit and ability to steer through these challenging periods is a testament to the dedication of the staff, the loyalty of our customers, and the support of our shareholders and regulatory authorities. As we move into the financial year 2025, I feel that YES BANK is well placed to continue to thrive and make further progress in the ever-changing banking landscape.

Macroeconomic Scenario

The global macroeconomic scenario for 2023-24 reflected a complex interplay of challenges and opportunities, marked by cautious optimism.

The geopolitical conflicts heightened the uncertainties in global energy markets, affecting oil prices and regional stability. These conflicts, along with trade tensions and shifting alliances, underscores the need for diversified supply chains and strategic economic partnerships.

Despite these geopolitical tensions and monetary policy tightening, the global economy demonstrated resilience, with global GDP expanding by 3.2% in CY 2023.

Advanced economies GDP grew at 1.6%, while the emerging and developing economies grew at 4.3%.

In the midst of global headwinds, India has emerged as a pocket of resilience. The GDP growth stood at 8.2% in FY 2023-24, supported by government-led capex spending, robust urban and rural demand, and proactive measures by the RBI stabilising inflation at 5.4%.

The government's emphasis on infrastructure development and digital transformation has been pivotal in attracting investments and fostering economic resilience.

The latest Financial Stability Report highlights that Indian Banking Sector continues to remain stable, with profitability and asset quality indicators at their "decadal best" levels with adequacy of liquidity and capital buffers in the banking system. Moreover, RBI's macro-stress tests revealed that Scheduled Commercial Banks (SCBs) are well-capitalised and capable of absorbing macroeconomic shocks even in the absence of any further capital infusion.

YES BANK in FY 2023-24

During FY 2023-24, YES BANK progressed well on its key strategic objective of Profitability Improvement and made further advancements across most key financial and operating metrics.

The Bank's balance sheet crossed ₹ 4.0 lakh crore mark with robust accretion to Deposits at ₹ 2.6 lakh crore. The Bank judiciously expanded



ANOTHER KEY HIGHLIGHT WAS THE SUBSTANTIAL PROGRESSION IN ACHIEVEMENT OF TARGETS OF LENDING TO PRIORITY SECTOR LENDING (PSL) ACHIEVED THROUGH A COMBINATION OF ORGANIC EFFORTS AS WELL BUYING OF PSL CERTIFICATES.

its branch network and added 85 branches in FY 2023-24. YES BANK's Deposit Growth was 22.5% vis-à-vis the Advances Growth of 13.8%¹. There was a marked improvement in the asset quality with Net NPA and net carrying value of Security Receipts (SRs), as a percentage of advances, reducing from 2.4% to 1.1% as at March 31, 2024.

Another key highlight was the substantial progression in achievement of targets of lending to Priority Sector Lending (PSL) achieved through a combination of organic efforts as well buying of PSL certificates by the Bank. YES BANK concluded FY 2023-24

¹ Excluding inter-bank reverse repo



MESSAGE FROM CHAIRMAN

with NIL shortfall in overall PSL and sub-categories of Small & Marginal Farmer (SMF) and Weaker Section (WS), and a negligible shortfall in the Non-Corporate Farmer (NCF) sub-category.

Overall, FY 2023-24 showcased YES BANK's steady commitment to enhancing profitability, prudent risk management, and sustainable growth.

Digital @ Banking

In FY 2023-24, YES BANK continued its journey of innovation in the digital banking space and introduced multiple new products and solutions aimed at enhancing customer convenience and accessibility.

In FY 2023-24, the Bank launched a comprehensive mobile banking solution, 'iris by YES BANK' with over 230 plus features and services accessible on a single platform enabling customers to do banking on-the-go, with unparalleled convenience and flexibility.

The Bank introduced YES Pay Next, an innovative UPI payment mobile banking application that offers efficient transaction management with its intuitive features and enhanced security protocols and seamless and secure payment solutions. Additionally, YES BANK also unveiled YES PAY BIZ, a unique payment solution with multiple features such as multi-mode payment collection, instant digital charge slips, and automated reconciliation statements.

The Bank further strengthened its capabilities and technology infrastructure in digital payment and transaction banking ecosystem.

YES BANK collaborated with a leading player in the payment ecosystem as the PSP Payment Bank. The Bank launched UPI payments through RuPay Credit Cards, providing customers with enhanced convenience and security in credit card-based transactions, empowering its customers to transact effortlessly with enhanced security measures.

By leveraging technology and strategic partnerships, the Bank endeavours to offer superior customer experience and further enhance its positioning in digital banking ecosystem.

Sustainability Focussed

The banking and finance sector continued to witness significant regulatory developments around ESG and climate integration, during the year. RBI issued a Framework for acceptance of Green Deposits aimed at channelising flow of funds to climate-aligned activities. The Central Bank also released a 'Draft Disclosure Framework on Climate-related Financial Risks', based on the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations. Regulators have highlighted that climate-related risks pose significant challenges to the banking sector and overall financial stability, and financial institutions need to set up mechanisms to integrate climate aspects into their business strategy, factor the effects of climate change into financial planning, and evaluate and disclose the impact of climate-related risk drivers on the overall enterprise risk profile.

SEBI also expanded its Business Responsibility and Sustainability Reporting (BRSR) framework by introducing BRSR Core disclosures and expanding the scope of

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IN FY 2023-24, YES BANK CONTINUED ITS JOURNEY OF INNOVATION IN THE DIGITAL BANKING SPACE AND INTRODUCED MULTIPLE NEW PRODUCTS AND SOLUTIONS AIMED AT ENHANCING CUSTOMER CONVENIENCE AND ACCESSIBILITY.

disclosures to the value chain of listed entities. YES BANK views the emerging focus on ESG as a significant opportunity and aims to not just keep pace but stay ahead of the curve in this area. As the only Indian banking signatory to the UNEP FI Principles for Responsible Banking, YES BANK is committed to align its business with the objectives of the UN SDGs and the Paris Climate Agreement. The Bank has already set up a robust governance structure for integrating ESG and climate considerations into its business with oversight from the Board-level CSR and ESG Committee.

In FY 2023-24, the Bank strengthened this commitment by undertaking significant actions, and progressing on its targets of reducing its financed emission

intensity (electricity generation sector portfolio), achieving net zero emissions by 2030, enhancing its gender diversity and expanding financial inclusion amongst rural women borrowers. The Bank also continued to be recognised for its benchmark sustainability disclosures, achieving the highest S&P Global ESG score and CDP rating for its climate disclosures, amongst Indian banks, for the second year in a row.

Governance and Risk Management at the Core

The Bank remained committed to the highest standards of Governance, Risk and Compliance which remains at the core of everything that YES BANK does.

The Bank has implemented comprehensive policies and controls to reflect the latest directives, including those related to IT governance, customer service, green deposits, asset quality, and investments, etc. The Bank's leadership is dedicated to fostering a strong culture of compliance, regularly evaluating and updating the policies to incorporate best practices.

The Bank endeavours to remain focussed on mitigating risks revolving around data and information security, supported by a robust IT infrastructure with resilient systems and stringent security policies and controls to safeguard its information asset. 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. Moreover, while the Bank would endeavour to invest in

straight-through-processes, it would be without compromising on the first principles of banking controls and compliances.

Brand that Connects

As YES BANK continues to evolve and adapt to the dynamic landscape of modern banking, the Bank's refreshed brand identity reflects its core values, vision for the future, and commitment to delivering unparalleled banking experiences. The introduction of a refreshed logo in May 2023 symbolises its aspiration to soar to greater heights, embodying its modern, agile, and digitally forward approach.

The strength of YES BANK is in each individual team member, and the strength of each member of the team is in the YES BANK platform. Keeping this ethos in mind, YES BANK proudly announced its partnership with the Indian Olympic Association as the Principal Sponsor for Team India at the Paris Olympics 2024. This initiative underscores our unwavering support for Indian athletes and the Bank's fervent desire to highlight its commitment on the global stage. To complement this endeavour, the Bank introduced a special savings account proposition named "Yes Glory", along with the empowering campaign "*Milkar Jitayenge*" which reflects our belief in collective success and the spirit of victory.

We, at YES BANK, continuously aspire to build a future-ready institution of global repute, size, and stature with a blend of distinctive capabilities that generates a superior value for our stakeholders.



THE BANK ENDEAVOURS TO REMAIN FOCUSED ON MITIGATING RISKS REVOLVING AROUND DATA AND INFORMATION SECURITY, SUPPORTED BY A ROBUST IT INFRASTRUCTURE WITH RESILIENT SYSTEMS AND STRINGENT SECURITY POLICIES AND CONTROLS TO SAFEGUARD ITS INFORMATION ASSET.

As I conclude, I wish to express my sincere thanks to my colleagues on the Board for their continued support and dedication in steering the Bank, as we transition to a brighter tomorrow.

On behalf of the entire Board 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 & CEO¹

PP

IN THIS PROMISING ENVIRONMENT, YES BANK EXPANDED ITS PHYSICAL AND DIGITAL FOOTPRINT, SIGNIFICANTLY REDUCED ITS NET NON-PERFORMING ASSETS AND THE NET CARRYING VALUE OF SECURITY RECEIPTS, GAINED A HIGHER INCREMENTAL CASA SHARE, AND ADDRESSED THE SHORTFALL IN LENDING TO PRIORITY SECTOR (PSL).



¹GRI 2-22

Dear Shareholders,

The financial year 2023-24 was another strong year for YES BANK of today, marking our third consecutive year of full-year profitability, since the year of reconstruction. The Bank continued to make steady progress on its core strategic objective of improving profitability and made further improvements across key operating metrics. In FY 2023-24, YES BANK reported a net profit of ₹ 1,251 crore, a 74.4% increase compared to the previous year. Our balance sheet crossed ₹ 4 lakh crore, registering a growth of ~14% over the previous year's size of ₹ 3.55 lakh crore as at March 31, 2023.

In this promising environment, YES BANK expanded its physical and digital footprint, significantly reduced its Net Non-Performing (NPA) and the net carrying value of Security Receipts (SRs), gained a higher incremental CASA share, and addressed the shortfall in lending to Priority Sector (PSL). This progress is a testament to the responsible banking franchise that we have been building through strategic interventions and investments over the last four years. Our refreshed brand identity and our commitment towards our stakeholders - customers, employees, and shareholders have been pivotal in this journey. The Bank made substantial progress on PSL compliance and concluded FY 2023-24 with NIL shortfall in overall PSL as well as its sub-categories of small and marginal farmers, and weaker section.

Before delving further into our performance for the financial year, let me share a brief of the operating environment. The global economy demonstrated resilience in CY 2023 despite facing significant challenges such as elevated inflation rates, tight monetary and financial conditions, escalating geopolitical tensions, and high public debt burdens. Emerging markets in particular, experienced robust growth driven by strong domestic demand and technological advancements.

On the domestic front, India emerged as the fastest-growing major economy in the world with FY 2023-24 GDP growth rate of 8.2%.

Key Highlights of FY 2023-24

During FY 2023-24, the Bank continued to leverage its key business levers, including optimising the mix within retail assets, strengthening its value proposition in the SME/Business Banking segment, and maintaining leadership in the payment ecosystem. Additionally, the Bank scaled its digital and transaction banking services and utilised its branch distribution network as the fulcrum of its business. The Bank continued to strengthen its governance and compliance standards, bolstering the balance sheet through granularity, building a strong retail asset and liability franchise and expanding its customer base.

During FY 2023-24, YES BANK originated new loans and sanctions of more than ₹ 1.14 lakh crore.



DURING FY 2023-24, THE BANK CONTINUED TO LEVERAGE ITS KEY BUSINESS LEVERS, INCLUDING OPTIMISING THE MIX WITHIN RETAIL ASSETS, STRENGTHENING ITS VALUE PROPOSITION IN THE SME/BUSINESS BANKING SEGMENT, AND MAINTAINING LEADERSHIP IN THE PAYMENT ECOSYSTEM.

As at March 31, 2024, Bank's Advances stood at ₹ 2.28 lakh crore, registering a robust growth of 13.8%¹ over the previous year, driven by sustained momentum in SME and Mid-corporate Advances (25%+ Y-O-Y growth) and the resumption of growth in corporate segment. The Bank maintained the ratio of retail and SME advances to Wholesale Advances (Mid and Large Corporate) at 62%:38%.

¹ Excluding inter-bank reverse repo



MESSAGE FROM MANAGING DIRECTOR & CEO

As at March 31, 2024, the Bank's deposits reached an all-time high of ₹ 2.66 lakh crore, growing 22.5% over the previous year. The CASA improved to ~30.9%, an outcome of our strategic focus on granular CASA deposits. During the year, the Bank added ~1.7 million new CASA accounts and expanded its distribution network with 133 new branches in CASA rich clusters, since January 2023. Bank's CASA performance relative to the industry, and in the backdrop of a difficult interest rate period, has been noteworthy.

The Bank increased provisioning in Q4, raising the Provision Coverage Ratio on NPAs to 67% as at March 31, 2024 from 62% as at March 31, 2023. The Bank reported an operating profit of ₹ 3,386 crore in FY 2023-24, a growth of 6.4% over the previous year. Total income stood at ₹ 13,209 crore, up 13.8% Y-O-Y. Net interest income for the year was ₹ 8,095 crore and non-interest income grew 38.8% Y-O-Y to ₹ 5,114 crore.

There was a significant improvement in asset quality, with ratio of Net Non-Performing (NPA) and net carrying value of Security Receipts (SRs) as a percentage of advances reduced to 1.1% from 2.4% the previous year. Recoveries and resolution totalled to ₹ 5,978 crore. The Gross and Net Non-Performing Asset ratios, declined by 50 basis points and 20 basis points respectively to 1.7% and 0.6% as at March 31, 2024.

Full-year FY 2023-24 Net Interest Margin (NIM) was 2.4%, slightly down from 2.6% in FY 2022-23 due to negative drag from deposits made in lieu of PSL shortfall, which have further marginally inched up and peaked at ~11% as at March 31, 2024. Going forward, we expect a gradual reduction in these deposits and eventually see this to further reduce to below 5% of our total assets over the next 3 years and alongside that Bank would expect to see a reduction in its negative drag on Bank's margins and profitability.

The Bank continued to lead in digital and transaction banking, gaining higher market share in digital payments platforms, with market shares in NACH, IMPS, NEFT, AePS, and UPI at 13.6%, 8.9%, 8.6%, 29.3%, and 34.5%, respectively, for FY 2023-24.

Despite one-off costs, including incremental PSLC-related expenses and enhanced provisioning coverage, the Bank showed resilience, with FY 2023-24 Return on Assets (ROA) at 0.3% (higher by 10 bps over FY 2022-23) with Q4 FY 2023-24 ROA exiting at 0.5%, a significant improvement over previous quarter. YES BANK's proforma CET-1 as at March 31, 2024, stood at 13.2%, including the impact of warrants conversion by CA Basque Investments and Verventa Holdings Limited undertaken in Q1 FY 2024-25.



YES BANK PROUDLY ANNOUNCED ITS PARTNERSHIP WITH THE INDIAN OLYMPIC ASSOCIATION AS THE PRINCIPAL SPONSOR. OUR CAMPAIGN, #MILKARJITAYENGE, HIGHLIGHTS THE COLLECTIVE EFFORT BEHIND EVERY OLYMPIC ATHLETE, FROM LOCAL COACHES AND SUPPORTIVE PARENTS TO STEADFAST FRIENDS AND FAMILY.

Brand Highlights and Identity

In a show of national pride and support for Team India at the Paris Olympics 2024, YES BANK proudly announced its partnership with the Indian Olympic Association as the Principal Sponsor. Our campaign, #MilkarJitayenge, highlights the

collective effort behind every Olympic athlete, from local coaches and supportive parents to steadfast friends and family. Through this campaign, we honour these unsung heroes.

Aligned with our brand philosophy, '*Life Ko Banao Rich*', this partnership emphasises the richness of life through experiences and memories. As our athletes compete on the global stage, their achievements add to our national pride and create a legacy of shared experiences.

In celebration of this collaboration, we are pleased to introduce the YES Glory Savings Account. This special account is designed for our Olympic athletes and their immediate family members, recognising their collective journey and sacrifices.

Customer-Centricity and Digital Solutions

Digital Banking Enhancements

In FY 2023-24, YES BANK focussed on enhancing customer experiences in the 'phy-digital' banking landscape by fostering strategic partnerships and launching innovative products.

As a Future-Ready Bank, we have made significant strides in our Digital Banking capabilities. We launched 'iris by YES BANK' - a mobile banking app with 230-plus features for all banking needs of our retail customers. We also introduced UPI payments via RuPay Credit Cards; enabled UPI interoperability on the RBI CBDC app; and became the first

bank in India to issue an 'ONDC Network Gift Card'.

Moreover, Information Technology, Information Security and Digital Innovation continues to be a focus area for the Bank, from dual perspectives of, a) cost prudence, and b) Income acceleration, through targeted objectives in mind.

Strategic Partnerships and Innovations

We collaborated with a leading payment ecosystem player as their PSP Payment Bank, aiming to increase our market share in digital payments, merchant acquisition, and current account balances.

To provide seamless and secure payment solutions to our customers, we launched YES Pay Next, a cutting-edge UPI payment app with features like multi-mode payment collection, instant digital charge slips, and automated reconciliation statements. The 'Khata' feature helps merchants digitise pending payments and send reminders to customers.

We partnered with a leading cross-border payments fintech company to offer solutions for exporters and importers, allowing them to collect payments in multiple foreign currencies.

Government and Regulatory Collaborations

YES BANK partnered with the Government and the RBI for initiatives like the Unified Logistics Interface Platform (ULIP), Digital



AS A FUTURE-READY BANK, WE HAVE MADE SIGNIFICANT STRIDES IN OUR DIGITAL BANKING CAPABILITIES.

WE LAUNCHED 'IRIS BY YES BANK' - A MOBILE BANKING APP WITH 230 PLUS FEATURES FOR ALL BANKING NEEDS OF OUR RETAIL CUSTOMERS.

Banking Units, and the Digital Rupee (CBDC). We launched services for ICCW (Interoperable Cardless Cash Withdrawal), enabling ATM cash withdrawals through UPI without using a card, and implemented UPI interoperability on RBI's CBDC app.

Trade Financing Innovations

YES BANK became the first Indian bank to execute an export finance transaction on the International Trade Financing Services Platform (ITFS) of RXIL Global IFSC Limited,



MESSAGE FROM MANAGING DIRECTOR & CEO

offering credit arrangements for exporters and importers. This digital platform ensures competitive pricing and quick turnaround times.

By leveraging technology and strategic partnerships, YES BANK continues to drive digital transformation and deliver innovative solutions. Looking ahead, we plan to expand our footprint with ~230 new branches in key business clusters and districts in the next three years, enhancing our responsiveness to customer needs.

Strengthening Human Capital

In our endeavour to be an employer of choice, in FY 2023-24, YES BANK made notable advancements in employee engagement and development, focussing on diversity, equity, and inclusion.

Promoting Diversity, Equity, and Inclusion

The Bank has enhanced its gender diversity to 21.8% and is on track to further improve the same. The Bank's attrition rate for FY 2023-24 stood at 38.2%, compared with 42.7% for FY 2022-23.

The score of 'Voice of YES' – our employee engagement survey, further improved to 4.30 from 4.25 of the last years' survey, is a reflection of our continued endeavours towards creating a vibrant and supportive work environment.

To further support our diverse workforce, we introduced Employee Resource Groups such as YES MOM POWER and YES FIT FEMME to foster

a sense of belonging and community among our diverse employees.

Celebrating Milestones and Wellness Initiatives

The Bank celebrated its 4th Foundation Day on March 18 with a lot of enthusiasm. Emphasising "Wellness" as the theme for the year, we recognised sports and fitness enthusiasts across the organisation.

Developing High-Quality Leadership

To cultivate high-quality leadership, the Bank has implemented several developmental learning initiatives for our top and senior management leaders. Programmes like the 'Executive Coaching Leadership Programme' and the 'Inner Engineering Programme' are designed to enhance personal transformation and identify key leadership competencies.

Inspiring Future Leaders

The Bank introduced 'YES Inspire Mentoring Programme' to nurture a cadre of women leaders across the Bank. This mentorship initiative aims to inspire and guide the next generation of YES BANKers, enabling them to make a meaningful impact in their professional journeys.

Recognition as a Great Workplace

I am proud to share that YES BANK was recognised as a Great Workplace by the Great Place to Work Institute and ranked among the Top 50 in "India's Best Workplaces in BFSI 2024" for the second consecutive year.



COGNIZANT OF THE EMERGING EXPECTATIONS AND REQUIREMENTS PRESENTED BY AN ESG-DRIVEN BUSINESS LANDSCAPE, THE BANK CONTINUES TO MEASURE ITS ESG PERFORMANCE AND CAPITALISE ON EMERGING SUSTAINABLE FINANCE OPPORTUNITIES.

Towards Sustainable Performance

The Bank continues to stay committed to its ethos of sustainability and to its aim of building a responsible enterprise that is transparent and proactive in minimising negative impacts and augmenting the positive impacts of its business activities. Cognizant of the emerging expectations and requirements presented by an ESG-driven business landscape, the Bank continues

to measure its ESG performance and capitalise on emerging sustainable finance opportunities. During the year, the Bank continued to demonstrate progress across its ESG targets and goals.

Environment Accountability

Ensuring that its branches and offices adhere to the highest standards of environmental performance, YES BANK expanded the scope of its Environmental Management System (EMS), and continues to be the only Bank globally to have as many as 1,186 facilities, under its ISO 14001:2015 certified EMS. In line with its net zero by 2030 target, the Bank enhanced the share of renewables in its energy mix with three of its offices now operating on 100% renewable energy, resulting in the avoidance over 5,200 tCO₂e emissions. The Bank also continues to measure, report and develop targets for its portfolio in line with global decarbonisation pathways. During the year, the Bank achieved ~24% reduction in the financed emission intensity of its electricity generation fund-based portfolio from its base year of FY 2021-22 and remains within the trajectory of meeting its interim intensity target for the sector. Given its leadership performance across ESG and climate parameters, in FY 2023-24, the Bank achieved the highest S&P Global ESG Score of 74 (out of 100) and the highest CDP rating of 'A-' Leadership Band for its 2023 climate change disclosures, amongst Indian banks. YES BANK continues to be an index constituent of key global ESG indexes such

as FTSE4Good Index Series, MSCI ACWI's ESG Universal Index, and MSCI ACWI Low Carbon Leaders Index, among others.

Social Initiatives

The Bank's flagship group-lending programme, YES LEAP, has 6.56 lakh active women customers. Additionally, YES Foundation's community development programmes have enhanced the income of over 35,000 farmers, women, and artisans from rural India, with a target to impact over 75,000 individuals by 2026. The Bank has also made steady headway towards realising its CSR commitment to catalyse employment and entrepreneurship opportunities for over 100,000 youth by 2026, and has reached over 40,000 youth, till date.

YES BANK's governance framework includes 54% of the Directors on the Bank's Board being Independent Directors, and 23% of the Directors being women, ensuring robust and diverse leadership. It continues to be recognised for its benchmark ESG disclosures and its commitment to sustainability.

Path to Profitability

During FY 2023-24, YES BANK made significant progress in improving its profitability with Return on Assets (RoA) for the quarter ended March 31, 2024 at 0.5% up from 0.2% in same quarter of the previous year. The Bank has identified key financial imperatives to enhance the Return on Assets (RoA) which include: resolution of Priority Sector Lending

(PSL) shortfall related drag, improving the Advances Yield through product mix optimisation, reducing cost of deposits by increasing proportion of CASA deposits, further enhancing the fee income intensity and improving cost efficiency to align with best-in-class in the industry. To achieve these goals, the Bank has implemented several business strategies and established a dedicated Strategy and Transformation vertical to drive these initiatives with focus and rigour. As a Bank, we remained focussed on our mantra of Disciplined Execution. We encourage you to read details of our business and financial performance commentary in our Management Discussion and Analysis Section.

In Conclusion

YES BANK's core franchise is gaining momentum due to past interventions. This momentum is expected to be further fuelled by our current structural interventions around PSL and Business Transformation, significantly contributing to the Bank's profitability. As we enter the fifth year of our journey, we remain focussed on diligently executing the RoA expansion roadmap and are committed to disciplined execution.

Yours sincerely,

Prashant Kumar

Managing Director & CEO



Message from Executive Director

PP

OUR CAMPAIGN
#MILKARJITAYENGE
EMPHASISES THE IDEA
THAT BEHIND EVERY
OLYMPIC ATHLETE LIES
A COMMUNITY WHICH
ENCOMPASSES LOCAL
COACHES, SUPPORTIVE
PARENTS, AND STEADFAST
FRIENDS AND FAMILY
MEMBERS; THE IDEA
BEHIND #MILKARJITAYENGE
IS TO HONOUR THESE
UNSUNG HEROES.



Dear Shareholders,

At the end of every financial year, penning down this letter is something I genuinely look forward to. It offers a moment to reflect on our progress.

India's economic resilience stood out amid global uncertainties. Its GDP grew at an impressive 8.2% in FY 2023-24, becoming one of the fastest-growing major economies. This growth has been underpinned by strong performance by the Micro, Small, and Medium Enterprises (MSME) sector, catalysed by technology and data-analytics-driven lending. The government's focus on enhancing infrastructure and digital transformation has been pivotal, with initiatives such as PM GatiShakti and the Production-Linked Incentive (PLI). The Reserve Bank of India (RBI) introduced several initiatives in retail banking this year, including the introduction of CBDC UPI interoperability, revolutionising digital payments and making transactions seamless and inclusive.

These developments, alongside a stable political environment and progressive policies, underscore a year of innovation and expansion for YES BANK, as we continue to support the evolving needs of our retail and MSME customers.

Before I deep dive into the performance aspect of our retail business, I want to reflect on our refreshed brand identity that was launched in May 2023. The refreshed identity emerged from a well-thought-out strategy, developed through in-depth interactions with all

stakeholders. This process led to a visual representation that accurately reflects YES BANK of today. The new logo, evolving from a tick to a soaring bird, represents our ambition to achieve greater heights and our promise to deliver a **Seamless, Intuitive and Effortless** banking experience. The bright colours and the new form factor are digitally friendly, complementing our digital prowess.

The refreshed identity, now visible across all customer touchpoints, including our branch network, digital assets, and payment instruments, has received very positive feedback from all key stakeholders. Along with our brand ethos "*Life ko Banao Rich*", the new visual identity has shown almost instant results. Independent studies have indicated a significant 8-10% growth in our spontaneous awareness and brand consideration scores over just two quarters. Additionally, our website traffic increased by 18%, with 3.1 million unique visitors.

Another significant and proud achievement in this financial year was us joining hands with the Indian Olympic Association as the Official Banking Partner for Team India for Paris Olympics 2024. This partnership is a continuation of our brand philosophy, '*Life Ko Banao Rich*', as it emphasises how as our athletes compete globally, their achievements contribute to our national memory and pride, creating a legacy of shared experiences. Our campaign **#MilkarJitayenge** emphasises



AS WE ENTER THE 5TH YEAR OF OUR JOURNEY OF YES BANK OF TODAY, ON ACCOUNT OF BUSINESS CALIBRATION, WE ARE A FULL SPECTRUM RETAIL BANK GROWING WITH A STRONG MOMENTUM, DEDICATED TO REDEFINE INDIA'S BANKING LANDSCAPE, ACCELERATING AS A DIVERSIFIED, GRANULAR RETAIL FRANCHISE, WITH STRONG FOCUS ON TRANSACTION BANKING.

the idea that behind every Olympic athlete lies a community which encompasses local coaches,



MESSAGE FROM EXECUTIVE DIRECTOR

supportive parents, and steadfast friends and family members; the idea behind **#MilkarJitayenge** is to honour these unsung heroes.

Talking about our performance in retail business, as we enter the 5th year of our journey of YES BANK of today, on account of business calibration, we are a full spectrum retail bank growing with a strong momentum, dedicated to redefine India's banking landscape, accelerating as a diversified, granular retail franchise, with strong focus on transaction banking.

The YES BANK of today believes in bringing the Bank to its customers. All our touchpoints are equipped to service customers with the entire suite of products. We are committed to enhancing accessibility and convenience through continuous digital innovation, ensuring that banking services are available wherever our customers are, and whenever they need them.

As India navigates the path towards a Viksit Bharat by 2047, at YES BANK, we are cognizant of the fact that Micro, Small, and Medium Enterprises (MSME) sector stands as a cornerstone of India's economic architecture. They play a crucial role in the growth of the economy, and support larger industries and also generate employment. Their expansive footprint across rural and urban areas bridges the rural-urban divide and fosters inclusive growth.

Supporting the growth of MSMEs and emerging large corporates is one of our core strategic business objectives. This past year, we introduced several innovative products that have significantly enhanced our offerings for MSMEs. We launched **Digital Over Draft (Digi OD)**, a paperless unsecured loan specifically curated to cater to bottom-of-pyramid MSME customers. Additionally, we implemented **algorithm-driven (BRE) lending** based on cash flow assessments developed using statistical scorecards. To further support our MSME clients, we launched the **SME Direct Desk**, which caters to over 50 services, specially designed for MSME customers. Furthermore, we introduced **SMARTFIN**, a state-of-the-art Supply Chain Financing platform as part of our new initiatives in FY 2023-24 to provide a digitally enabled solution for onboarding and loan management specifically tailored for MSME customers. These innovations are part of our ongoing commitment to providing comprehensive and accessible financial solutions to MSMEs.

I am immensely proud that our work is getting recognised by credible industry bodies. In Financial year 2023-24, **YES BANK was awarded the Best Bank for Promoting Government Schemes in the Private Sector at the MSME Banking Excellence Awards 2023, organised by Confederation of Indian Micro, Small and Medium Enterprises.**



THE YES BANK OF TODAY BELIEVES IN BRINGING THE BANK TO ITS CUSTOMERS. ALL OUR TOUCHPOINTS ARE EQUIPPED TO SERVICE CUSTOMERS WITH THE ENTIRE SUITE OF PRODUCTS.

Robust Growth in SME Segment

Advances in the Small and Medium Enterprises (SME) segment increased 25.6% to ₹ 35,327 crore, with share of SME advances growing to 15.5% of the total portfolio, from 14.1% earlier. Importantly, 86% of the book backed by collateral, ensuring stability of the loan portfolio.

A Diversified and Granular Book

Shift Towards Retail and SME Segments

The ratio of Retail and SME Advances to Wholesale Advances improved from 49:51 in FY 2021-22 to 62:38 in FY 2023-24, ensuring a more balanced and resilient loan book.

Solid Foundation for Sustainable Growth

In FY 2023-24, YES BANK was committed to creating a solid foundation and stable financial base for sustainable growth, which helped diversify and expand our deposit base to ₹ 2.66 lakh crore – a 22.5% increase Y-O-Y.

Expanding Customer Base and Low-Cost Deposits

The influx of nearly 17 lakh new Current Account and Savings Account (CASA) customers this year and a 23% increase in CASA balance has boosted our low-cost deposit base, underlining our successful customer acquisition and retention strategies.

CASA Ratio and Net Interest Margin

CASA ratio rose to 30.9% from 30.8% in the earlier year, which highlights our strategic focus on attracting more low-cost deposits crucial for maintaining a healthy Net Interest Margin (NIM).

Growth in Net Advances

Net advances grew 13.8%¹ year-on-year to ₹ 2.27 lakh crore as we disbursed ₹ 41,713 crore fresh loans, focussing on internally sourced retail advances. As a result, its share increased from 37% in FY 2022-23 to 41% in FY 2023-24, enhancing our control over quality of loans.

Focus on ROA Accretive Products

As we focussed on ROA accretive products such as Personal Loans, Used Vehicles, Affordable Home Loans, Unsecured Business Loans,

Micro LAP, and Education Loans, its share increased to 44% in FY 2023-24 vis-à-vis 35% in FY 2022-23, as it contributed 43% to total disbursements. Retail banking fees were up 49.6% Y-O-Y in Q4FY24 and 47.3% for the entire year.

Strong Growth and Innovations in Credit Cards

In FY 2023-24, our credit card business demonstrated robust growth with a 46% Y-O-Y increase in new card acquisition, reaching a customer base of 2.07 million. Card spends hit an all-time high of ₹ 7,571 crore in Q4 FY24, marking a 62% Y-O-Y growth. The book size also surged to ₹ 5,538 crore, a 51.1% Y-O-Y increase. Notably, we recorded peak UPI spends of ₹ 705 crore and commercial card spends of ₹ 676 crore in Q4 FY24. Our new product initiatives included revised reward point accruals and the introduction of a 1% forex markup fee on dynamic currency conversion spends. We achieved a 94% digital contribution in new card acquisitions, enhancing customer service through platforms like WhatsApp banking.

Maximising Branch Distribution

The branch is the fulcrum of our business, facilitating customer acquisition and servicing, expanding our footprint and enhancing digital journeys for seamless cross-selling and deposit growth. Retail and Branch Banking-led deposits grew 24.9% to ₹ 141.5 crore, while Branch banking deposits achieved 22.3% CAGR between FY 2022-24. Incremental CASA ratio was 31.5%, with branch banking channel



IN FY 2023-24,
YES BANK WAS
COMMITTED
TO CREATING A SOLID
FOUNDATION AND
STABLE FINANCIAL
BASE FOR SUSTAINABLE
GROWTH, WHICH
HELPED DIVERSIFY
AND EXPAND OUR
DEPOSIT BASE TO
₹ 2.66 LAKH CRORE – A
22.5% INCREASE Y-O-Y.

achieving 37.5%. We added 133 new branches since January 2023 in CASA-rich areas, totalling 1,453 outlets across multiple states and union territories.

Purposeful digital investments of ₹ 1,453 crore further supported our granular business segments. Deep understanding of retail customers enables us to expand into new segments and grow the loan book.

The Bank also entered into a partnership with Paytm app to

¹ Excluding inter-bank reverse repo



MESSAGE FROM EXECUTIVE DIRECTOR

enable united payments interface (UPI) through Paytm Payments Bank Limited, the underlying bank for supporting UPI payments on Paytm's platform.

Addressing unique lifestyle needs

In FY 2023-24, YES BANK remained committed towards innovating and enriching the banking experience for our discerning clients. As India ascends as an economic powerhouse, we recognise a significant increase in the elite and the affluent demographic. According to the BCG CCI Proprietary Income Model, affluent segment is expected to grow by 2.3 times over the next decade. This surge is transforming the landscape of consumer banking in India, characterised by increased disposable incomes and sophisticated consumer behaviours.

With a keen understanding of the evolving demands of elite and emerging affluent households, YES BANK launched two flagship programmes aimed at redefining personalised banking. These initiatives are designed not only to meet but to exceed the expectations of our valued clients, establishing new benchmarks in personalised banking.

YES Private, our exclusive invitation-only banking programme, caters specifically to ultra-high-net-worth individuals. It offers a comprehensive suite of tailored solutions covering business, wealth management, succession planning, and lifestyle needs, supported by a dedicated team of relationship and product specialists.

Additionally, **YES Grandeur**, our programme for India's emerging affluent, offers premium banking benefits and travel perks, such as zero cross-currency markup charges. It also includes lifestyle privileges like access to luxury hotel stays and premium entertainment subscriptions, ensuring a rewarding and comprehensive banking experience for this dynamic segment.

Equipped to further augment Retail

With a stable, granular business, robust distribution, and industry-best platforms, we are well-positioned for accelerated growth. We are investing in advanced digital banking solutions to streamline operations and enhance customer experience, enabling us to offer more personalised and efficient services, and solidifying our position as a leader in Retail Banking.

The Bank has institutionalised the Net Promoter Score (NPS) as a key metric to enhance service experience, customer loyalty, and advocacy. In FY 2023-24, significant progress in customer service and satisfaction is reflected in the reduced number of detractors and increased promoter trends, resulting in best-in-class NPS across various customer channels.

Commitment to ESG

YES BANK remains steadfast in its commitment to sustainability and responsible banking. As the first bank globally with an ISO 14001:2015 certified Environmental Management System across 1,186 facilities, we are progressing towards our goal of net



YES BANK REMAINS STEADFAST IN ITS COMMITMENT TO SUSTAINABILITY AND RESPONSIBLE BANKING. AS THE FIRST BANK GLOBALLY WITH AN ISO 14001:2015 CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEM ACROSS 1,186 FACILITIES.

zero GHG emissions by 2030, with key facilities now operating on 100% renewable energy. Our responsible lending framework integrates environmental and social risk assessments, emphasising financing for renewable energy, electric vehicles, and rooftop solar adoption among MSMEs. Additionally, we have planted 200,000 trees in agroforestry initiatives, enhancing green cover and supporting farmers' livelihoods. On the social front, the Bank improved its gender diversity to 21.8% in FY 2023-24.

Driving Social Impact through YES Foundation

In its 11th year, YES Foundation, the social development arm of YES BANK has continued to make a transformative impact nationwide. Our initiatives under the 3Es – Employability, Entrepreneurship, and Environmental Sustainability – have empowered communities and driven meaningful change.

Employability: In FY 2023-24, over 4,000 underprivileged youth received job skills training across six states, with a 70% placement rate, unlocking economic potential worth ₹ 30 crore.

Entrepreneurship: Partnering with local organisations, we supported over 7,000 farmers, particularly women, with training in climate-resilient farming and improved irrigation.

Environmental Sustainability: We planted 200,000 trees, capable of sequestering over 1.7 lakh tonnes of CO₂ in the next 20 years, with a goal to plant 1 million trees in five years.

Enhancing Human Capital and Workplace Culture

YES BANK is dedicated to fostering a culture of diversity, equity, and inclusion, reflected in our significant strides in employee engagement and development. Our 'Voice of YES' Engagement Survey achieved a remarkable 91% participation rate, with the engagement score rising from 4.25 to 4.30. This demonstrates our ongoing commitment to creating a vibrant and supportive work environment, further validated by

our recognition as a Great Place to Work for the second consecutive year. Through these efforts, we continue to build a workplace where every employee feels valued and empowered to contribute to our collective success.

Our Growth Frontiers

Today, we are a differentiated Bank with impeccable asset quality, low NPAs, high returns on assets, and strong capital adequacy. Moving forward, we aim to maintain our growth trajectory and asset quality, and focus on deposit and CASA growth. By scaling our presence across India, we strive to become the best retail-oriented bank, delivering greater choice, flexibility, and improved service levels to our customers.

Thanking you,

Warm regards,

Rajan Pental

Executive Director



YES BANK IS
DEDICATED TO
FOSTERING
A CULTURE OF
DIVERSITY, EQUITY,
AND INCLUSION,
REFLECTED IN
OUR SIGNIFICANT
STRIDES IN
EMPLOYEE
ENGAGEMENT
AND DEVELOPMENT.



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 Director of
State Bank of India*



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



Mr. Sunil Kaul
*Nominee of CA Basque
Investments*



Ms. Shweta Jalan
*Nominee of Verventa
Holdings Limited*

Note:

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



Board Committees

AUDIT COMMITTEE

Mr. Sanjay Kumar Khemani

Chairperson

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 Pental

Member

RISK MANAGEMENT COMMITTEE

Mr. Sharad Sharma

Chairperson

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

Chairperson

Mr. Thekepat Keshav Kumar

Member

Ms. Nandita Gurjar

Member

Mr. Sunil Kaul

Member

Mr. Rajan Pental

Member

**FRAUD, WILFUL
DEFAULTERS AND
NON-COOPERATIVE
BORROWERS
MONITORING
COMMITTEE**
Mr. Prashant Kumar

Chairperson

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

Chairperson

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

Chairperson

Mr. Sanjay Kumar Khemani

Member

Mr. Sandeep Tewari

Member

Mr. Sunil Kaul

Member

Ms. Shweta Jalan

Member

Mr. Prashant Kumar

Member



Management Team



Mr. Prashant Kumar
Managing Director & CEO



Mr. Rajan Pental
Executive Director



Mr. Manish Jain
Country Head Wholesale Banking



Mr. Amit Sureka
Country Head - Financial Markets



Mr. Ajay Rajan
Country Head - Government, Multinational & International Business, Transaction Banking & Knowledge Units



Mr. Gaurav Goel
Country Head - Emerging Local Corporates and Institutional Banking



Mr. Pankaj Sharma
Chief Strategy and Transformation Officer



Mr. Dheeraj Sanghi
Country Head - Branch and Affluent Banking



Mr. Akshay Sapru
Country Head - Private Banking & Liabilities Products & Spectrum Banking Business



Mr. Sanjiv Kumar Roy
Country Head - Fee Based Products and Service Experience



Mr. Lavesh K Sardana
Country Head - Retail Assets and Debt Management



Mr. Dhavan Shah
Country Head - SME Banking



Mr. Anil Kumar Singh
Country Head - Credit Cards and Merchant Acquiring



Mr. Naveen Chaluvadi
Chief Digital Officer



Mr. Parminder Singh
Zonal Head - Large Corporates North, East & South



Mr. Mehul Desai
Zonal Head - Large Corporates - West



Mr. Niranjana Banodkar
Chief Financial Officer



Ms. Archana Shiroor
Chief Human Resources Officer



Mr. Tushar Patankar
Chief Risk Officer



Mr. Rakesh Arya
Chief Credit Risk Officer



Mr. Kapil Juneja
Chief Internal Auditor



Mr. Mahesh Ramamoorthy
Chief Information Officer



Mr. Sachin Raut
Chief Operating Officer



Mr. Nipun Kaushal
Chief Marketing Officer and
Head CSR



Mr. Indranil Pan
Chief Economist



Mr. Sandeep Mehra
Chief Vigilance Officer



Mr. Rajat Chhalani
Chief Compliance Officer



Mr. Shivanand R. Shettigar
Company Secretary



Key Performance Indicators

Net Profit

(₹ in crore)



Operating Profit

(₹ in crore)



Total Income

(₹ in crore)



Advances

(₹ in crore)



Deposits

(₹ in crore)



Total Assets

(₹ in crore)



CD Ratio*

(%)



CASA Ratio

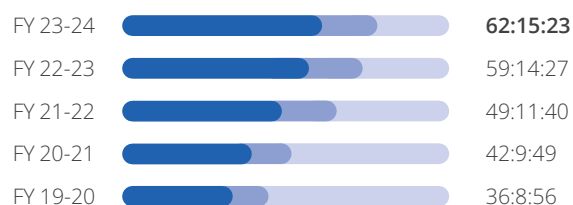
(%)



*Excluding Interbank reverse Repo classified as Advances as per RBI Master Circular No. DOR.ACC.REC.NO.37/21.04.018/2022-23

Retail & SME: Mid Corp: Corp

(%)



● Retail & SME
 ● Mid Corp
 ● Large Corp

Net Interest Margin

(%)



CET1 Ratio

(%)



Liquidity Coverage Ratio**

(%)



Gross NPA

(%)



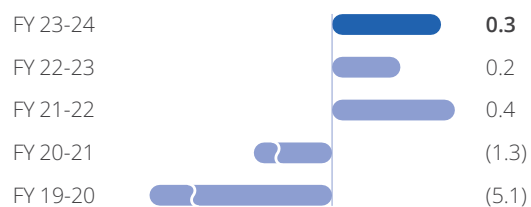
Net NPA + Net Carrying Value of SRs

(%)



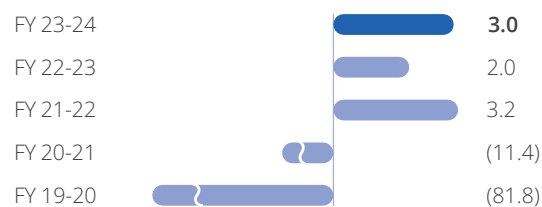
Return on Assets

(%)



Return on Equity

(%)



**Quarterly Average Consolidated LCR for the quarter ending March 31 of respective Financial Year



Products & Services¹

RETAIL BANKING



Description

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

46%

Share of Retail Advances as at March 31, 2024
(Vs 45% in FY 2022-23)

53%

Share of Retail and Branch Banking Deposits in Total Deposits as at March 31, 2024

22%

Growth in Liability Book of YES BANK in FY 2023-24, with retail banking growth at 25%

BRANCH BANKING



Description

YES BANK offers a comprehensive suite of all banking products including liabilities, assets and fee-based products to its customers. Retail Branch Banking continues to maintain a strategic focus on affluent, mass and emerging affluent customers, and SMEs in metro cities and urban markets.

Scale

- Expanded geographical footprint to **1,234 branches** and 219 Business Correspondent Banking Outlets across 300+ districts, with 1,290 ATMs
- Added 133 branches since January 2023 to bolster presence

Products and Services

All products of the Bank including Retail Liabilities, Retail Assets, Business Banking, Credit Cards, Merchant and Third-party products are offered by branch banking as it is the fulcrum of business.

Key Developments

- YES BANK undertook a brand identity refresh and launched a new vibrant logo in May 2023. **Branch branding** and interiors were refreshed keeping with the new identity for enhanced customer engagement and experience
- The Bank focussed on **Branch Expansion** in top deposit clusters pan India, following an in-depth strategy and focussed accelerated **Go-To-Profitability**
- Significant step-up in retail assets and credit card offering penetration within branch network resulting in acceleration of internal business sourcing and cross-sell

16%

Y-O-Y growth in Retail NTB Customer Acquisition

28%

Y-O-Y growth in New Acquisition value

Robust 55%

Growth in Branch Banking fee income

¹GRI 2-6

SPECTRUM BANKING



Description

Spectrum Banking as a Business Unit manages the **entire customer life cycle** including acquisition, Video KYC, 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 NRI Banking customers. The Spectrum Banking Liability Acquisition, Virtual Relationship Management, Insurance & Video KYC verticals have been ISO 9001:2015 certified and adhere to best industry practices.

Scale

The team of **Spectrum Bankers** managed relationships of over 6 lakh customers and connected with over 25 lakh customers virtually with an unwavering focus on growing the Liabilities Book (higher CASA focus), Asset Disbursals, Income from Third Party Products, Credit Cards and Merchant businesses for the Bank keeping client coverage, centricity and wallet share in mind.

Key Highlights

- Spectrum Banking registered 45% growth in new liability and credit card customer acquisition
- Retail Assets and Credit Card term disbursements also registered similar growth

Products and Services

Products include Retail Liabilities, Retail Assets, Business Banking, Credit Cards, Merchants and Third-party products managed virtually through the spectrum of voice, chat and email.

DIGITAL BANKING



Description

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. YES BANK has put in place state-of-the-art digital journeys for seamless liability customer acquisition and cross sell with multiple system checks, online validations and verification. Comprehensive assisted and Do-It-Yourself (DIY) digital Savings and Current account onboarding is available covering different Individuals and Non-Individual segments.

Scale

- YES BANK **processes nearly every 3rd digital transaction** in the country which hovers over 12-14 billion on a monthly basis
- Today, 96% of eligible savings accounts with instant account activation feature and 90% of eligible current accounts are onboarded paperless through digital platforms

Products and Services

YES BANK's Digital Products and their market share:

UPI	AePS	NEFT	IMPS	NACH
34.5%	29.3%	8.6%	8.9%	13.6%



PRODUCTS & SERVICES

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

Digital Liability On-Boarding Journeys

- To achieve superlative customer experience and stickiness, our on-boarding journeys are equipped with various advanced and innovative solutions
- Assisted on-boarding platforms fetch profile from online sources and recommend suitable product offerings to customers. With a Savings Account,

customers can also open Demat & Trading account and avail retail loan & insurance products. Similarly, with a Current Account, customers can complete the journey for opening a Savings Account, Foreign Exchange Currency Accounts, Cash Credit / Overdraft Accounts and avail services for online transaction platforms

- **Do-It-Yourself (DIY) on-boarding platforms** with Video KYC enables customer to complete the journey from anywhere and facilitate broadening of our customer acquisition base through various sources, including performance-based marketing and multiple partners-led sourcing

YES PRIVATE

Yes Private

Description

Yes Private is the Bank's thoughtfully-crafted client programme targeted at the **HNI*/ Ultra HNI clients** across the Retail and Wholesale Banking spectrum. It is designed to offer the full-stack of solutions for HNI clients' business banking, wealth management, succession planning and lifestyle needs.

Scale

Yes Private programme registered significant growth in both number of customers as well as the size of the managed portfolio, on the back of a powerful programme proposition and a seasoned, highly trained Yes Private team.

The programme is now available to on-board clients in 10 locations across the country.

New Initiatives

- In FY 2023-24, Yes Private was formally launched across markets at the prestigious YES BANK - CNBC Growth Summit
- Numerous client engagement opportunities were curated at marquee events across cities

Products and Services

- Yes Private offers clients a complete basket of third-party products that help in managing, protecting and growing clients' Wealth and Assets. Yes Private's enterprise-led approach also extends a complete business banking product suite to our customers
- The **Mastercard World Elite Debit Card** offered to Yes Private customers is one of the most powerful debit cards, that brings together an enriched value proposition and unique global experiences that match clients' lifestyles and choices

*High Net-Worth Individuals

YES FIRST AND YES FIRST BUSINESS

YES First | YES First Business

Description

YES First and YES First Business are the Bank's **flagship wealth management and business banking programmes**, curated for HNIs for their personal and business banking needs. These specialised programmes 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.

Scale

The portfolio now comprises **3 lakh+ customers** with significant contribution to the Retail & Branch Banking Liabilities and Fees.

Launch of **YES Glory**, a curated proposition that will cater to the holistic banking, wealth management and lifestyle needs for esteemed athletes and their families

New Initiatives

Based on market benchmarking & sharper identification of customer relevant solutions, the programme introduced a number of powerful enhancements to the proposition across banking and lifestyle categories. The programme eligibility criteria have been increased in line with the value proposition and portfolio quality considerations. This programme is further enriched by implementation of **RM Connect**, which is a single phone number connecting customers to their RMs.

YES PREMIA

YES Premia

Description

YES Premia offers **segmented solutions to the mass affluent segment** with an emphasis on making banking seamless and enjoyable for our customers. The programme has been carefully curated to provide banking solutions complementing the lifestyles and expectations of varied customer segments.

Four Pillars of YES Premia

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

Key Highlights

- Enriched bouquet of product and services (For example, introduction of **YES Premia Power Club**, specially designed **YES Premia Health Insurance plan** at competitive pricing, among others).
- Continued to deepen our contribution in top tier corporate and middle management to improve market share in mass affluent segment
- Focus on right programme for right customer initiative to improve customer experience and portfolio health





PRODUCTS & SERVICES

YES FAMILY

YES Prosperity | Family

Description

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 unified for the family.**

Products and Services

YES Family enables customers to care for the financial and overall well-being of every person in the family. The offering is available across YES Private, YES First, YES Premia and YES Prosperity programme.

New Initiatives

New 50,000 AMB Current Account proposition introduced to provide holistic CASA benefits to YES Prosperity Family customers.

YES PROSPERITY

YES Prosperity

Description

YES Prosperity is the Bank's **mass retail programme**, providing a range of services tailored to meet the individual banking requirements of customers. The programme is designed to serve customers ranging from rural to metropolitan areas, assisting them in fulfilling their banking and financial requirements. It strives to match the appropriate account with the right customer based on their demographics, income, and specific needs.

Products and Services

- Offers a wide range of products that cater to a diverse customer base
- Customer-centric product portfolio to fulfil all customer needs to become a primary bank for the customer
- **Customised solutions** for focussed segments like Salaried, Senior Citizen, Women, among others

Key Highlights

- Improved customer experience journey (for example, Care banking solution for senior citizen, Leveraging technology for onboarding as well as customer engagement to name a few)
- Continued focus on growing low cost franchise through product innovation as well as pricing intervention
- Digital partnership and alliances to drive customer acquisition

NRI BANKING



Description

YES BANK's **NRI Banking** programme 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.

Products and Services

- NRI Banking programme offers comprehensive and superior experiential banking services for NRIs and Persons of Indian origin (PIOs), providing financial

solutions to NRIs, including deposits, Portfolio Investment Scheme (PIS), remittances and wealth management products

- The product suite comprises savings, fixed and recurring deposit offerings denominated in INR, and fixed deposits in eight foreign currencies
- The Bank offers deposit-linked structured products, which provide higher returns to NRIs on their deposits, while availing maturity proceeds in INR or FCY
- The Bank offers a host of investment and insurance solutions to NRIs for themselves and also for their families in India to help them fulfil wealth enhancement and safety goals
- The Bank also introduced an industry-first offering of **Premium Rupee Plan (a FCNR backed by Forward Contract)** booking digitally through YES Genie, the Bank's homegrown super-app
- The product offering for NRIs and foreign nationals through its **International Financial Services Centre (IFSC) Banking Unit (IBU)** was further augmented through introduction of a non-fund based credit products and addition of AED and SGD currencies, thus offering savings account and term deposits at IBU in five currencies

New Initiative

- In FY 2023-24, the Bank's NR proposition continued to witness a host of enhancements, including acceleration of its digital interface to allow digital customer onboarding, introduction of additional digital channels for Re-KYC updating, and customer servicing

19% Y-O-Y
Robust growth in
the NR Book

DEBIT CARDS



Description

YES BANK has a complete suite of Debit Card variants across all three networks viz. **Mastercard, Visa and RuPay** which cater to the varied needs of its customers. The Bank has card variants across all segments of customers including mass-affluent, affluent, Private and even for segmented offerings such as Women, Salaried Individuals, NRIs, among others.

Products and Services

- Segmented across its flagship customers, YES Private, YES First, YES Premia and YES Prosperity, these debit cards are designed and customised to meet the specific needs of customers
- These **NFC-enabled cards** offer unique benefits across categories, including reward points on spends, complimentary lounge access & golf lessons (on select debit cards), exciting offers on retail categories such as entertainment, groceries, etc. Further, a key feature of the Bank's card variants include insurance cover across purchase protection, accidental insurance & lost card liability

New Initiatives

During the year, the Bank launched two new upgrade cards targeted at its retail customers with higher embedded card features such as airport lounge access and movie ticket offers.

Features

- Customers are provided easy access to their cards to manage their card spending and control card security specific parameters
- **Easy access to their card settings** and debit card services across WhatsApp Banking/BOT and a dedicated email ID for blocking/hot-listing cards in the event of any unforeseen situation is also provided
- To promote paper-less banking, customers are allowed to set a debit card pin (green pin) across YES Online, IRIS & ATMs

In FY 2023-24, the Bank added **14.8 lakh** new debit cards, increasing its overall card base to **48.3 lakh**



PRODUCTS & SERVICES

ATM



Description

YES BANK has a spread of 1,290 On-site and Offsite ATMs across the breadth and width of the country and recorded **19 million transactions in FY 2023-24**.

Products and Services

Cash withdrawal, Cash deposit, cross sell, PIN set reset, cheque book requests.

95%
uptime, one of the
best in the industry

New Initiatives

In FY 2023-24, new Green Pin service for debit cards and UPI based cash withdrawal through ATMs were launched.

YES GENIE



Description

YES Genie is the **super-app for internal employees** of the Bank in customer engagement and serves as cornerstone for them to provide superior customer experience. It enables the staff with customer-level information, insights, actionable as well as tracking and fulfilment capabilities in an entirely paperless, fully digital and in Straight Through Processing (STP) mode. Genie is fully in-house designed and developed microservices-based platform customised for Banks' needs and catering to ever-growing & fast-changing digital requirements.

Genie provides Next Best Actions enabling hyper-personalisation as a service to all digital channels in the Bank, these are customer level alerts/actionable which includes Cross Sell Offers/Recommendations, Nudges, Service/regulatory alerts.

Scale

YES Genie is currently widely used by all YES BANK staff across various units for bespoke use cases.

Genie pioneered the **industry-first digital Foreign Currency deposit booking**, resulting in a reduction of turnaround time to enable a seamless customer journey in a matter of minutes.

New Initiatives

IN FY 2023-24, YES Genie pioneered, YES BANK RM Connect for streamlined customer-RM connectivity integrated with the **CRM solution** providing customers with a single phone number to connect to their RMs. Fully digital and paperless services such as address, nominee and PAN updates, instant FD statement and Retail Assets statements were made live on YES Genie.

RETAIL BANKING ASSETS



Description

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 1,190 Branches across 670 locations where Retail Asset 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 property, personal loan and business loan, among others, under a single roof.

~₹ 41,000 crore

Total Disbursements in
FY 2023-24

New Initiatives

- Product and sourcing mix calibration oriented towards profitability improvement
- Digital loan onboarding, powered by Salesforce, is live for Home Loan, Affordable Home Loan, Loan against Property and Personal Loan
- Strengthened collections infrastructure with new collection management system, additional Scorecards to further augment collection efficiency

RURAL BANKING ASSETS



Description

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

Products and Services

- Offers variants under crop loan 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

New Initiatives

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

63,000

Active Farmer Borrower Base
as at March 31, 2024



PRODUCTS & SERVICES

AGRI-BUSINESS PRODUCT MANAGEMENT



Description

The segment offers **customised lending propositions for agri value-chain participants** – farmers, SMEs and corporates. It has a granular loan portfolio against the pledge of agri-commodities across geographies, 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

₹ 1,930 crore

Commodity Pledge Finance
Portfolio in FY 2023-24
catering to 650 customers

New Initiatives

- Launched the Commodity Finance Customer Interface to enable disbursement request, repayment, interest payment and margin regularisation from customers' end

INCLUSIVE AND SOCIAL BANKING ASSETS



Description

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 (BCBO).

Products and Services

- The Bank's 219 BC Banking Outlets (BCBOs) provide Asset and Liability solutions to **over 1.3 lakh customers** in the rural area
- 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 health cover product for rural and semi urban segments to help them reduce out-of-pocket hospitalisation expenses

6.6 lakh

Active women
customer base in
YES LEAP

₹ 16,300 crore

Cumulative
disbursement since
inception in YES LEAP

CREDIT CARDS



Description

The Credit Card department of YES BANK is known for its focus on customer satisfaction. It offers a wide range of feature-rich products and ensure efficient distribution and excellent customer service. This is backed by effective risk management system leading to increased card usage and bigger spending by the customers, and better activation rates.

Scale

- In March 2024, the Bank has crossed a milestone of 2 million live Credit Cards, with 21.2 lakh credit card-holders with YES BANK, in the market
- The Credit Cards business has achieved impressive Y-O-Y growth rates of 57% in outstanding balances and 56% in card spends

Products and Services

- The Bank's current Credit Card portfolio consists of **25 products** tailored for consumer, small and medium-sized enterprise (SME) and commercial segments
- In December 2023, the Bank revamped its Credit card suite with enhanced features and new design

Over 95% Share

Of new card issuances were processed digitally

New Initiatives

- In July 2023, the Bank **launched “UPI facility on RuPay Credit Cards”**, a novel concept which offers a unique and an engaging proposition to its Credit card customers to conduct UPI transactions on their Credit Cards. Since its launch, the Bank has issued more than 4 lakh UPI-enabled Credit Cards to cater to this opportunity
- In December 2023, the Bank has launched a Premium Card, **MARQUEE Credit card** with several benchmark features to further strengthen its positioning in the Ultra HNI customer segment
- In August 2023, the Bank launched a new digital channel for sourcing of Term Products

MERCHANT ACQUIRING SERVICES



Description

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.

Scale

- With 3.6 lakh Payment Acceptance Devices pan India and about 1.8 lakh Merchant Outlets being catered to by the Bank, the business continues to scale upwards
- About 1.4 lakh Payment Acceptance Devices and over 55,000 Merchants Outlets were added in FY 2023-24
- The business has achieved an impressive Y-O-Y growth rates of 44% in volume of overall transactions processed through payment acceptance devices

Products and Services

Merchant Acquiring Services offer state-of-the-art Android-based point-of-sale (POS) devices, SoftPOS solution, merchant application, 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 Bharat QR (BQR) / UPI payments like BQR Standee and BQR Soundbox.



PRODUCTS & SERVICES

New Initiatives

- In July 2023, launched **YES DIGI INSTA app**, this digital platform simplifies the entire physical onboarding process into a seamless digital experience
- The all-in-one **YES BIZ+** app empowers merchants to accept payments directly on their smartphones, analyse transactions in real-time, raise service requests, and apply for additional TIDs or Value-Added Services (VAS)
- Our First Mover Innovative Solution **"Digital Hundi"** (ई-दानपात्र), **an innovative solution for temples to digitalise donations**, reducing cash management costs associated with handling small denominations, soiled, or mutilated notes and coins
- **INSTA Kit now includes QR codes**, enabling merchants to start transacting immediately after their accounts are set up. This is ready-to-use solution, available at branches, streamlines the account opening in process

1.8 lakh

No. of Merchant Outlets with YES BANK Merchant Acquiring Services

3.6 lakh

No. of Payment Acceptance Devices across locations

1.4 lakh

No. of new Payment Acceptance Devices added in FY 2023-24

SME BANKING



Description

YES BANK's MSME Banking business caters to all the financial requirements of the MSME ecosystem with solutions for working capital, term loan, trade, forex, treasury and commercial asset requirement in its over 800+ 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 aimed at Green Financing

- Loans for adoption of solar energy for captive consumption of SMEs
- Financing for urban waste collectors and processors and manufacturers of Effluent Treatment Plant/ Sewage Treatment Plants
- Supporting Electric Vehicle ecosystem by financing auto ancillaries/ charging infrastructure players

New Initiatives

- Launched **Digi OD**, a high-yielding asset product aimed at increasing penetration for bottom-of-pyramid SME customers
- Implemented Algorithm (BRE) driven lending based on cashflow assessment developed basis statistical scorecards
- Launched **SME Direct Desk** to cater 50+ services for SME customers

- Launched state-of-the-art Supply Chain Financing platform **SMARTFIN** for digitally-enabled onboarding & loan management

Products and Services

The Bank offers comprehensive client-focussed solutions:

- Working capital finance (including various Govt. Schemes / Start Up funding)
- Term Loans (Including Capex loans)
- Commercial Asset Requirement
- Trade finance
- Treasury services (Foreign exchange risk management) Foreign currency loans including ECBs
- Supply Chain Finance
- Agri Commodity Finance
- Cash management services

FINTECH PARTNERSHIPS



Description

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

WHOLESALE BANKING



Description

The Wholesale Banking Group continues to play a key and pivotal role for the Bank, serving the below segments:

- Large Corporates
- Mid-Corporates
- Indian Financial Institutions
- International Banking
- Government Banking
- Multinational Corporates

Products and Services

Offering comprehensive client-focussed services across:

- Working Capital Finance
- Term Loans
- Project Finance
- Loan Syndication
- Transaction Banking Products
- Trade Finance
- Cash Management Services
- Supply Chain Finance
- Debt Capital Markets, Treasury Services (Foreign Exchange Risk Management)
- Foreign Currency Loans including ECBs
- Overseas Financing (via IFSC Banking Unit in GIFT City), and
- Liquidity Management Solutions



PRODUCTS & SERVICES

LARGE CORPORATES



Description

YES BANK's Large Corporates segment provides comprehensive financial and risk management solutions to large corporate clients. With the Bank's theme of Ecosystem Banking and its service-centric approach, the segment focusses on the entire ecosystem of corporates by also catering to their dealers, vendors and customers.

Scale

Team of **183 Relationship Bankers** in nine cities

Team Expertise:

- The Large Corporates Relationship Team is dedicated to fostering long-term partnerships by delivering customised financial solutions and strategic guidance to large Indian enterprises
- The team possesses industry expertise across various sectors, providing industry-specific insights and financial solutions tailored to meet the unique needs and challenges of each industry
- The segment offers holistic banking solutions, combining expertise, a gamut of product offerings, and advanced digital platforms to facilitate seamless, real-time banking operations for large corporates

Products & Services

- This specialised team offers a comprehensive suite of banking and financial services to its clients including Project Finance, Balance Sheet growth solutions, Working Capital facilities, Trade and Transaction Banking, Foreign Currency management services and Digital Banking services, tailored to meet the complex and dynamic requirements of large-scale enterprises
- In addition to Wholesale Banking Products and Services mentioned above, Large Corporates business unit also works in partnership with Retail Banking to offer a bouquet of services to the employees and supply chain ecosystem of its clients

MID-CORPORATES



Description

The Mid Corporates segment focusses on corporates with a **turnover between ₹ 100 crore and ₹ 1,500 crore**. The segment serves local corporates by understanding their banking needs and delivering tailored solutions across the entire spectrum of banking services

Scale

The Mid-Corporate segment continues to adopt a two-pronged approach of acquisition of New to Bank (NTB) clients, and deepening of existing relationships along with focussing on X-Sell through synergies with Transaction Banking, Digital Banking, YES Securities, FASAR, Treasury and Branch Banking. The strong team of 324 relationship managers is present at 39 locations

Products & 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.

Growth driven by regional presence, granular book, robust risk management, strong digital penetration, structured cash & trade solutions

64% of Unicorns and 1,200+ Start-Ups in India are served by YES BANK's Mid Corporates segment

INDIAN FINANCIAL INSTITUTIONS



Description

The Indian Financial Institutions Segment offers correspondent banking solutions to domestic and cooperative banks, digital and transaction banking solutions for NBFCs, Insurance Co's, Mutual Funds, and Capital Market entities and sustainable asset book building in NBFCs

Scale

Team of 62 Relationship Bankers based across all key locations Pan-India, catering to Indian Financial Institutions

Liability focus with superior and customised Digital & Transactional banking solutions for Financial Institutions

Products & Services

- Resource raising in the form of Borrowings & Refinance basis engagements with all AIFIs like 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)
- Facilitates Co-lending / Direct Assignment (DA) partnerships to build the retail book
- Superior offerings for Professional Clearing Members (PCM) and Custodial Businesses, along with banking facilities for stockbrokers and exchanges
- PSL generation through focussed lending to NBFC/MFIs

INTERNATIONAL BANKING



Description

The International Banking segment maintains relationships with an extensive network of International Banks, Multilateral Financial Institutions and Exchange Houses. The unit leverages its strong correspondent-banking network to create access for its corporate customers and also for internal stakeholders, providing access to the international markets for availing financing and international banking services.

Scale

Team manages relationship with more than **400 international / multinational banks** spread across 70 countries and also works with a dozen International Developmental Financial Institutions on liability generation and cross-border trade facilitation

Products & Services

- Trade finance
- Treasury services
- Investment banking solutions
- Remittance solutions
- Financial advisory

New Initiatives

- Leveraging the Digital & CMS capabilities for generating CA balances
- Vostro / Special Rupee Vostro Accounts
- Enhanced borrowings from liability-rich banks
- Capitalising the Digital strength of the Bank for increasing wallet share of payments routed under RDA
- Leverage the Bank as Payment Aggregator model for cross-border business payments



PRODUCTS & SERVICES

GOVERNMENT BANKING



Description

The Government Banking segment provides coverage to Government(s) & Administered Institutions backed by Comprehensive Financial and Digital Solutions Expertise.

Scale

Coverage in 36 Cities by an experienced team of **76 Relationship Bankers** and further amplified by **Branch led sourcing** of Government Accounts at all YES BANK Branch Locations pan-India

Products & Services

- Liquidity Management Solutions
- Digital & Transaction Banking Solutions
- Trade Finance
- Treasury Services
- Debt Capital Market Services
- Knowledge Advisory

New Initiatives

- Agency Business Empanelment in Key States – Assam, Meghalaya, Rajasthan, Assam, Bihar, Gujarat, Telangana
- Empanelment for Liabilities business with key liability-rich States
- First Mover in key growth sectors like Smart Cities, Defence OFBs, Ports amongst other through unique Digital Solutions

Emerged as a **Preferred Bank** for Government(s) and Administered Institutions backed by comprehensive Financial and Digital Solutions

MULTINATIONAL CORPORATES



Description

The Bank has established strong relationships with various multinational corporates across key trade corridors and positioned itself to extend its network for their India-linked businesses. The Multinational Corporates unit also engages with various strategic influencers to originate current account leads by leveraging its thought-leadership and transaction banking capabilities.

Scale

Team of 42 Relationship Bankers spread across **8 cities** covering majority of MNC presence in India. **Service and Digital capabilities** of global standards combined with Domestic Reach and Gift City Presence

Products & Services

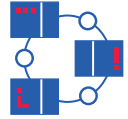
- Comprehensive Solutions tailored to MNC Banking needs
- Technology Banking
- Global Banking
- Ecosystem Banking
- Knowledge Banking / Advisory

New Initiatives

- Becoming preferred host-country bank to global clients
- Source solution-led current account from corporates

1st domestic private sector bank with a dedicated MNC unit

TRANSACTION BANKING¹



Description

Transaction Banking is a specialised product group providing Trade Finance, Cash Management, Custodial Services, Supply Chain Financing, Bullion and Remittance Services to Corporates, MSMEs, Startups, Governments and Financial Institutions.

Scale

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

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), block chain and API banking.

New Initiatives

- YES Connect launched April 2023 - 4,500+ solution plugins & 10k+ Current Account leads generated
- 17% Y-O-Y growth in Corp. CA Book; 41% Y-O-Y growth in CMS Thruput
- 70% growth in Asset under Custody, 92% growth in total Statutory payments, 97% in NACH & 46% growth in BBPS Y-O-Y
- 2x Y-O-Y growth in Corp. IBU CA
- 60+% YTD growth in Mandate executed Y-O-Y
- Trade NFB Book has increased by 26%; & Trade FB book by 24% Y-O-Y
- 23% growth in Trade & CMS Fees

- Digital Trade Digitisation on our Smart Trade Platform (Digital) witnessed 28% Y-O-Y growth
- EPFO empanelment in January 24
- Gone live with "SWIFT Corporate to Bank" enabling Corporate Clients who are live in SWIFT (having BIC Code)
- Focus on Export Credit – Tie-up EXIM Bank for wider geographical coverage
- YES BANK partners with RXIL global IFSC to be the "First Indian Bank" to execute export finance transaction on ITFS platform
- TBG - Corporate Client Management (CCM) unit is now **ISO 9001:2015 Certified**

1,000+ API-related services under API Banking (Since its introduction in September 2015)

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

79% CA, **86%** CMS Thruput, **91%** Trade FB* & **93%** Trade NFB** across Corporates has 2+ TBG Product Embedment

98% of our Cash Management thruput 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

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

*Corporate Trade Fund Book

**Corporate Trade Non-Fund Book

¹GRI 2-6



PRODUCTS & SERVICES

PROJECT FINANCE BUSINESS AND LOAN SYNDICATION



Description

Project Finance Business (PFB) is a specialised business unit which handles project finance loans and other large long-term loans of the Bank. The Unit houses sector expertise built over years across Energy, Transport, Ports & Logistics, Core & Evolving Sectors, Real Estate, Hospitality and Healthcare etc.

Loan Syndication (LS) unit leverages its vast relationship with Lenders to **provide capital saving, yield enhancement and risk diversification** through distribution of Bank's advances. This provides a one-stop solution to clients large underwriting requirements and at the same time de-risking the Bank's balance sheet. The unit also leverages its relationship with Lenders to acquire advances from syndication market.

Key Strength

- **Sectoral Knowledge** - Sector-focussed Business Development & Risk Identification for Deal Closure
- **Engagement with Regulatory Bodies and other Stakeholders** - Pulse of sectoral Headwinds and Tailwinds across industry and value chain
- **ESG focus** - Meeting Bank's ESG commitment through lending to sustainability sectors

- **Bespoke Solutions with Client Focus** - Deal Structuring to optimise funding attractiveness to suit the specific client and project requirements
- **Market Intelligence & Relationship with Lenders** - Facilitate deal structuring and exposure strategy

Originate-to-Distribute

Combined capabilities of PFB and LS units enables the Bank to execute deals on Originate-to-Distribute basis - leading to Yield Improvement, Risk Diversification, Capital Saving and Increased cross-sell (cashflow routing, Escrow, Lead, NFB etc.) for the Bank

FINANCIAL MARKETS



Description

The Financial Markets function offers comprehensive services across Interest Rates, Foreign Exchange, Debt Capital Markets, Bullion etc. The Financial Markets franchise caters to a multiverse of client segments such as Corporates, SMEs, Government entities, Institutions, and Individuals. It excels in ideating on **funding strategies, mitigating currency risks** with robust hedging strategies and enhancing financial stability, meeting the diverse needs of the Bank's clients. The **Balance Sheet management group** - is the custodian of the Bank's cash, liquid assets and government securities portfolio managing day-to-day liquidity with required reserve ratios and providing fund transfer pricing for all of the asset and liabilities products offered to the Bank's customers. As a designated primary dealer by RBI, the Bank also underwrites and creates liquidity for central and state government securities by making two-way prices in the market.

Products and Services

- Expertise in cross-border remittances on account of trade and services as well as capital flows
- **Fund raising solutions** for clients through products like Non-Convertible Debentures, Commercial Papers and other structured financing options
- Electronic execution offered to clients through YES BANK's proprietary platform

- Dedicated Treasury sales manager for each client to offer timely market insights and hedging solutions
- Overseas presence through IFSC Bank in GIFT city, Gujarat offering various Financial Market Products

New Initiatives

- Enabled 24*7 NEFT and RTGS for Individuals and Corporates to enhance customer base and increase CASA

- Executed the Bank's maiden funding transaction for an InvIT
- Sophisticated product suite that includes structured solutions such as European and American barrier options, TRS and Bond FRAs

Bespoke risk management solutions to more than **35,000 clients** pan India

Among Top 3 Banks for outright purchase of **Gold, Silver and Gold Loan**

IFSC BANKING UNIT



Description

Only overseas branch of the Bank and the First Bank to start operations in October 2015 at GIFT - International Financial Services Centre (IFSC). Regulated by the International Financial Services Centers Authority "IFSCA" as Host country regulator & Reserve Bank of India "RBI" as the Home country regulator, IBU offers comprehensive FCY products helping the Bank to complete its Wholesale & Retail product bouquet

Scale

₹ 5,960 crore + Customer Advances & Investments

Products and Services

- FCY funded/non-funded loans to JV/WOS of Indian Corporates and other eligible Non-resident entities
- External Commercial Borrowings (ECB) and trade credit loans to Indian entities
- Derivatives/Forex Hedging/Cross Currency and other financial market products
- CA / SA /TD liability offerings
- Remittances and import/export linked product offerings

New Initiatives/Developments

- Successfully participated in a few large, syndicated deals in infrastructure & pharmaceutical sectors
- Significant acceleration in Liability business with total **customer deposits at ₹ 2,010 crore**
- **Introduced Digital Smart Trade platform** offering efficient and convenient remittance process to clients
- High growth seen in transaction volumes handling over 11,000 remittances

BUSINESS ECONOMICS BANKING



Description

As the research and knowledge team within the Bank, it strives to be at the forefront of understanding and disseminating critical analytical perspectives on domestic and global financial markets. The team produces cutting-edge **reports on macro issues and public policy perspectives** with an aim towards enabling clients with not only the requisite knowledge base required for businesses but also ensure that actionable strategies with respect to financial markets are backed by adequate research.

Products and Services

- **GLOBAL MARKETS UPDATE:** Update on overnight global markets focussing on macro developments, FX, fixed income, and commodities
- **ECOLOGUE:** Data and critical event reporting along with a perspective from the team, disseminated to clients on the same date
- **CLIENT SERVICING:** Regular meetings and interactions with clients for knowledge sharing
- **FRANCHISE / CAPACITY BUILDING:** Thought leadership at industry organisations, regular participation in media space, including authored columns



PRODUCTS & SERVICES

FOOD AND AGRIBUSINESS STRATEGIC ADVISORY AND RESEARCH (FASAR)



Description

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 agriculture domain. FASAR provides unique, knowledge-driven solutions to clients by actively engaging in research, strategic advisory, policy advocacy and knowledge dissemination. FASAR generates banking opportunities on the back of these unique knowledge banking services, with a focus on exploring innovative banking solutions, acquiring new-to-bank clients and deepening banking relationships with existing clients.

Products and Services

- FASAR works closely with Corporates, MSMEs, Multinationals, Central Government Organisations and State Governments executing **project advisory, strategic advisory** as well as **policy advisory** engagements across diverse sub sectoral and thematic areas **focussed on the food and agriculture value chains**
- The unit also conducts in-depth research on various sub-sectors of Food & Agri domain and releases **knowledge reports and research papers**
- apprising stakeholders on the latest issues, key trends and developments in the Indian food and agriculture domain
- FASAR knowledge partners with various government organisations as well as eminent industry forums to **conduct various national as well as international conferences** focussed on propagating information and knowledge that contribute to sustainable development of India's food & agriculture sectors



Note: There have been no significant changes in the sector that the Bank operates in, its value chain, and other business relationships compared to the previous reporting period¹

¹GRI 2-6



CORPORATE AND GOVERNMENT ADVISORY



Description

The Corporate & Government Advisory (CGA) group works across emerging sectors of the economy by executing knowledge and advisory mandates to support India's holistic and inclusive growth. The group leverages its in-depth sectoral expertise, research skills and apex-level relationship capital across the government and the industry ecosystem to assist clients, including central and state governments, multi-lateral bodies, industry chambers and private sector players, in their developmental and growth agenda.

A focussed sector-oriented approach across sectors such as Urban Sustainability, E-mobility/Advanced Automotive, has led to creation of new banking opportunities and deepening of relationships with key customer segments

Products and Services

- **Business Growth Advisory** – Market Evaluation (Sector Centric/Opportunity Centric), Scheme Advisory (Central & State Schemes), Partner Identification, Investment Location Analysis and Incentive Mapping
- **Government Policy Advisory** – Policy Development & Review, Financial Impact Evaluation, Policy Implementation Support and Policy Promotion
- **Government Strategic Advisory** – Investment Promotion Advisory, Sector Development Roadmaps, Government Financial Advisory, Pre-Feasibility & DPRs

New Initiatives

- Advisory assistance to Smart cities in planning for integrated waste management projects ensuring circular economy
- Advisory Assistance to the private auto components & electronics players in localising the supply value chain to meet **Atmanirbhar Bharat**



Operating Environment

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



Resilient Global Economy, Moderating Inflation and Improved Domestic Stability

The global economy demonstrated resilience in FY 2023-24, outperforming expectations despite geopolitical tensions and monetary policy tightening by major central banks. The International Monetary Fund (IMF) forecasts global growth at 3.1% in 2024 and 3.2% in 2025, driven by the United States, key emerging markets, and fiscal support in China.

India remained one of the fastest-growing economies of the world during the year, and exhibited sound macroeconomic fundamentals. While urban demand remained strong, the rural sector also recovered after the initial struggle. Capex spends by the government (both Centre and state) played a pivotal role in sustaining growth momentum. Barring a few sectors, private capex continued to lag despite healthy balance sheets of banks and corporates, although recent surveys hint at a resurgence in capex. As per the government estimates, India's GDP is projected to have clocked 8.2% growth in FY 2023-24, compared with 7% in FY 2022-23.

While global headwinds posed risks to India's economy, macroeconomic stability is anchored by moderating inflation and the ongoing fiscal conditions. Headline CPI inflation dropped to 5.2% in the second half of FY 2023-24, from 5.5% in the first half of FY 2023-24, averaging at ~5.4% for the financial year 2023-24. Trade gap improved slightly in FY 2023-24, compared to FY 2022-23 even as moderation was witnessed in exports and imports.

Despite a challenging global environment, the Indian banking sector remained stable, with improving profitability and asset quality, adequate level of liquidity and capital buffers. Moreover, RBI's macro-stress tests revealed that Scheduled Commercial Banks (SCBs) are well capitalised and capable of absorbing the most adverse economic shocks even without capital infusion.

Our Response

The Bank closely monitored global and domestic economic trends, and adjusted its actions according to the country risks and sector-specific impacts. In context, Bank also hosted 'The Growth Summit', fostering insightful discussions with diverse stakeholders, aimed at propelling India towards a USD 10 trillion economy.

Amidst the macro-economic backdrop, the Bank continued to drive growth with improvement in profitability with a focus on retail asset mix optimisation, strong growth within SME and Mid-Corporate segments, and further improving the share of its branch distribution, by leveraging the network to offer a full spectrum of products. The Bank, through its comprehensive strategy, reported reductions in shortfalls in PSL categories and sub-categories. The Bank further fortified its balance sheet through a significant reduction in its Gross NPA and Net NPA.

Government and Regulatory Interventions

Key guidelines issued during the year focussed around strengthening governance and risk management, enhancing customer service and grievance redressal, aiding customer interests, focussing on improving asset quality and investment practices, and fostering a robust compliance culture.

Information Technology (IT) and IT-enabled Services (ITeS)

To exercise control and ensure due diligence with regards to various risks, RBI issued Master Directions on Outsourcing of Information Technology Services. Further, the regulator also issued Master Directions on IT Governance, Risk, Controls, Assurance Practices and Business Continuity/Disaster Recovery Management.

Enhancing Customer Service and Fair Lending Practices

RBI issued a comprehensive framework for strengthening and improving the efficacy of the grievance redressal mechanism and customer service provided by the Credit Institutions (CIs) and Credit Information Companies (CICs) along with a framework for compensation to customers for delayed updation/rectification of credit information. The central bank also issued various guidelines to ensure reasonableness and transparency in disclosure of penal interest to promote fair lending practices amongst regulated entities.

Improving Asset Quality and Investment Practices

In response to the high growth seen in consumer credit and increasing dependency of NBFCs on bank borrowings, RBI increased the applicable risk weights in certain components of consumer credit and advised banks and NBFCs to strengthen their internal surveillance mechanisms, address the build-up of risks, and institute suitable safeguards. The Regulator also issued instructions restricting investments by a regulated entity (RE) in any scheme of Alternate Investment Funds (AIFs) which has downstream investments either directly or indirectly in a debtor company of the RE, to curb situation of possible evergreening through investments in units of AIF.

Our Response

The Bank is committed to complying with RBI's guidelines and regulations, ensuring a robust compliance culture that prioritises customer protection, risk management, and sustainable practices. The Bank has implemented comprehensive policies and controls to reflect the latest directives, including those related to IT governance, customer service, green deposits, asset quality, and investments. The Bank's leadership is dedicated to fostering a culture of compliance, regularly evaluating and updating our policies to embrace best practices and align with RBI's vision for a resilient and sustainable banking system.





OPERATING ENVIRONMENT

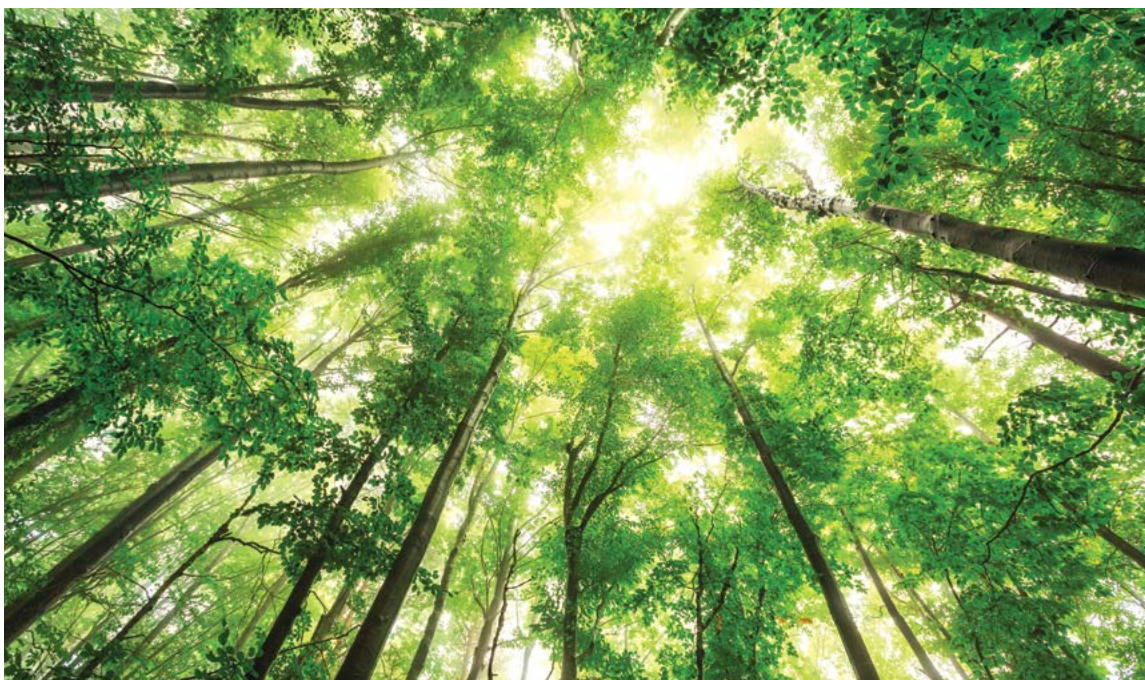
ESG and Climate Change

In FY 2023-24, sustainability and climate action remained prominent agendas in global and national discussions, notably through the G20 New Delhi Leaders' Declaration under India's Presidency, which reaffirmed the G20 leaders' commitment to advancing sustainable finance. The endorsed recommendations included mechanisms to ensure the timely and adequate mobilisation of resources for climate finance while supporting transition activities tailored to individual country circumstances. The UNFCCC CoP-28 forum urged Parties to intensify global climate ambition by the end of the decade through decisive actions. India also called for a clear roadmap for climate finance as an essential element for achieving the quantified goals. Operationalisation of The Loss and Damage (L&D) fund at CoP-28, became a pivotal moment in climate justice for countries grappling with climate change impacts.

Aligned with its Nationally Determined Contributions (NDCs), India showcased its climate ambition at CoP-28 by launching the Green Credit programme, which incentivises voluntary pro-planet actions, under its LiFE (Lifestyle for Environment) initiative. Allocations under the interim Union Budget 2024-25 reaffirmed India's commitment to Net Zero by 2070 by highlighting measures in four key areas: green

energy, electric vehicles, bio-manufacturing & bio-foundry, and blue economy. The Securities and Exchange Board of India (SEBI), also took significant steps to boost green investments by prescribing additional requirements for issuing transition bonds to prevent mis-allocation and pioneering the framework for ESG rating providers. In April 2023, RBI issued a framework for acceptance of Green Deposits which aims to direct the flow of funds to sustainable projects and initiatives, protect the interest of the depositors and address greenwashing concerns.

The year also witnessed significant regulatory initiatives to promote ESG governance. The central bank intensified efforts to develop policy interventions aimed at building resilience within the Indian banking sector and outlined clear supervisory expectations through a draft disclosure framework on climate-related financial risks. SEBI introduced the BRSR Core standards which expands the scope of BRSR (Business Responsibility and Sustainability Report) reporting framework by including transparency in the value chain of listed entities. SEBI's glide path for companies to adopt the BRSR Core disclosures aims to ensure that emissions across the value chain are adequately accounted and reported.





Our Response

YES BANK continues to actively monitor developments in the ESG and climate landscape by collaborating closely with a diverse range of stakeholders to integrate key sustainability themes and practices into its business. The Bank has published its BRSR as part of its Integrated Annual Report (refer to [→](#) page 328) and aligns its ESG disclosures with benchmark reporting frameworks such as the GRI Standards and the Task Force on Climate-Related Financial Disclosures recommendations.

For its comprehensive ESG and climate disclosures, YES BANK achieved the highest score among Indian Banks, with a S&P Global ESG score of 74 (out of 100)*. The Bank maintained its rating of 'A-' (Leadership Band) by CDP, making it the highest-rated Indian Bank for climate disclosures. The Bank has established a robust climate governance framework, with Board-level and Executive-level committees overseeing its climate strategy. It strives to align its business with the goals of the Paris Agreement and India's net zero transition. YES BANK has pledged to reduce GHG emissions from

its operations to Net Zero by 2030. In FY 2023-24, the Bank increased the share of renewable energy in the Bank's electricity mix to 12.31% resulting in approximately 5,254 tCO₂e in avoided emissions.

In line with its climate commitments, the Bank has started developing its capacity for scenario analysis and is leveraging scenario-based target setting approaches to develop long-term climate resilient strategies and roadmaps. To start with, the Bank has measured and reported the financed emissions of its fund-based electricity generation portfolio. It has set decarbonisation targets to reduce the financed emissions intensity of its electricity generation loan portfolio, in line with the Science Based Targets initiative (SBTi) well-below 2-degree scenario, striving for a 1.5-degree scenario. YES BANK continues to support climate-aligned sectors such as renewable energy and electric vehicles and has developed targeted products for green financing, such as YES Kiran rooftop solar loans for SMEs.

**YES BANK achieved the highest S&P Global ESG score amongst Indian banks based on the S&P Global Corporate Sustainability Assessment (CSA) 2023. The Bank's S&P Global ESG score stood at 74 (out of 100) as at February 16, 2024. The Bank's S&P Global CSA Score stood at 73 (out of 100) as of December 1, 2023*



OPERATING ENVIRONMENT

Driving Digital Transformation, Fostering Innovation and Delivering Unparalleled Value

The Digital Banking environment in India has entered a new phase of transformation, propelled by advancements in Artificial Intelligence (AI), shifting customer preferences, market dynamics and regulatory changes. The previous year witnessed significant policy reforms and regulatory changes in India's banking sector, in the form of new guidelines on digital lending, NPA norms and international banking standards amongst others, which were aimed at enhancing resilience and transparency for ensuring a stable financial environment.

Our Response

In response, the Bank has embraced emerging technologies to offer personalised and enriching digital banking services, aligning closely with regulatory guidelines. Committed to its strategic roadmap, YES BANK remains dedicated to crafting seamless customer experiences, leveraging digital touchpoints to drive business adoption, and exploring new growth avenues through strategic partnerships. Notable among these is the Bank's collaboration with a leading player in the payment ecosystem - the PSP Payments Bank, reflecting the inherent strength of its capabilities and technology infrastructure. This partnership is expected to further aid the Bank's market share in digital payment ecosystem, merchant acquisition, current account balances, and transaction banking flow, thereby boosting fee income. YES BANK's commitment to innovation has resulted in strategic collaborations with FinTech and BigTech partners, fostering co-lending arrangements and expanding the lending portfolio and product offerings.

The Bank also worked on several pioneering initiatives introduced during the year

CENTRAL BANK DIGITAL CURRENCY (CBDC)

Recognising the potential of CBDC in addressing last-mile connectivity challenges, especially in low and no-internet connectivity areas, we are leveraging CBDC to enhance digital penetration and foster financial inclusion

FACE AUTHENTICATION FOR AePS

New method of AePS authentication to enhance transaction security and customer convenience

IRIS BY YES BANK

All-encompassing next-gen mobile banking application offering 150+ features and services

YES PAY BIZ

Specialised mobile app tailored for merchants, providing a robust platform for payment acceptance, reconciliation, settlement, and operational optimisation

NEW-AGE TECH INNOVATIONS

Actively exploring new-age tech innovations, including Voice Bot assistance in our Contact Centre and AI Chatbot services, ensuring a seamless 24x7 banking experience for our customers

YES PAY NEXT

Comprehensive payments app designed to facilitate quick, smart, and secure transactions

DIGITAL HUNDI

Digitisation solution empowering religious institutions to efficiently manage donations

Data Privacy and Cyber Security

As the financial ecosystem shifts towards open banking, ecosystem banking, and digital payments and lending, banks are faced with the need to have robust IT infrastructure with resilient systems and stringent security policies & controls to safeguard their information assets. Consequently, security risks and related complexities have also emerged, which may result in breach of confidentiality and compromise of customer's classified data. Therefore, staying ahead of the curve in cyber security measures has become crucial for financial institutions to maintain a secure digital environment for their customers.

Our Response

YES BANK's comprehensive information security programme ensures utmost confidentiality, integrity, and availability of its infrastructure. The Bank maintains continuous oversight over this issue through a Board Level Committee, a management-level 'Security Council' and independent audits by the Internal Audit Team and an external third-party. 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. The Bank has established a 24x7 Security Operations Center (SOC) to monitor cyber-related risks and keep a vigil on suspicious network traffic and enables proactive threat detection and response. The Bank has also embraced the principles of Security/Privacy by Design to embed privacy safeguards in all its processes.





Our Strategy

YES BANK's prime agenda for the coming years is to focus on sustainable, profitable and technology-led growth, with the Bank's strategy built around customer-centricity, technology leadership and a strong governance and compliance culture. As we accelerate growth in a dynamic market environment, we remain geared to improve our profitability in a risk-calibrated manner and becoming one of India's most trusted financial brands for customers, employees, investors and stakeholders.



Resilient economic growth

The Indian economy has continued to exhibit robust resilience despite global headwinds and geopolitical tensions, clocking a GDP growth of 8.2% in FY 2023-24, one of the highest among the world's major economies. Credit disbursal and the capital investment cycle is unfolding successfully, especially with strengthening

of balance sheets of corporates and banks, and gross NPAs of banks at decade lows. With credit demand and growth outpacing growth in deposits, the banking sector is navigating competitive headwinds in a bid to mobilise deposits while minimising the impact on margins brought on by rising funding costs.

8.2%*

India's GDP growth
in FY 2023-24

20.2%#

Y-O-Y Expansion in
Bank Credit

12.9%#

Y-O-Y Growth in
Bank Deposits

Our strategy

In this emerging landscape, YES BANK remains singularly focussed on profitable growth, supported by early investments made in building digital capabilities, a broad-based distribution franchise, a diversified product suite, segmental offerings and a strong customer-centric focus. The Bank plans to continue to scale up its Retail and SME businesses and granularise its Balance Sheet profile; while improving its Net Interest Margin. Fortified by a strong foundation and key business levers, YES BANK is geared to further improve profitability with consistent change across metrics on customer base, book quality, liquidity and coverage ratio, augmented by a strengthened profit & loss statement and balance sheet.

Sketching the way forward

As the Bank grows in size and scale, it also aims to ensure that there is a prudent increase in operating expenses. The Bank is working towards building a future-ready organisation through an agile organisation structure, efficient fit for scale processes and optimisation of wasteful spends.

Building an Agile Organisation through

- Best-in-class organisation structure
- Customer journeys and process reimagination
- Cost optimisation and optimisation of wasteful spends

Thrust Areas

- Driving higher customer acquisition through internal channels
- Optimising operating costs
- Strengthening digital banking leadership
- Solidifying transaction banking capabilities and partnerships

Core and Key Business Levers for Strategic Planning

- Retail asset mix optimisation
- Leveraging the Bank's strong SME and mid-market value proposition for profitability and book build
- Branch as a fulcrum for business
- Building organic priority sector lending (PSL) book

*Source: GDP published by Ministry of Statistics & Programme Implementation

#Source: RBI for Banking Deposit & Credit Growth. Deposit growth excludes the impact of HDFC and HDFC Bank merger



OUR STRATEGY

Supporting our Strategic Priorities

YES BANK remains committed to its strategic vision of sustainable and profitable growth, with a target of ~1.5% RoA in the medium term. With the understanding that growth is inextricably linked with environmental sustainability, social development and good governance, the Bank continues to strategically integrate ESG considerations into its core business.

KEY PILLARS OF YES BANK'S VISION



STAYING UNIVERSAL, BUT GOING GRANULAR

Our strategy

Gaining market share across segments, while diversifying and de-risking

Key priorities

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



BEING A PREFERRED BANKER TO THE NEW ECONOMY

Our strategy

Maintaining digital market leadership with a focus on monetisation

Key priorities

- 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



BEING EFFICIENT, YET EMPATHETIC

Our strategy

Becoming the key destination for talent technology and purpose

Key priorities

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

Underpinned by a continuous focus on robust governance, compliance and risk management culture

The Bank has articulated 10 Strategic Business Objectives (SBOs) for delivering on its overall vision. These SBOs are stated below, along with progress made under each of these.

SBO1

Accelerating growth of our liability franchise

Retail depositors form an important source of low-cost and stable funding for the Bank. By leveraging a growing footprint in Branch Banking and a wide range of tailored propositions, the Bank continues to granularise its deposit base across savings accounts, current accounts and term deposits. The Bank offers a full range of product suite and a strong service proposition to its Current Account customers.

Key Strategies

- Accelerate growth in current accounts
- Deepen distribution network in identified clusters
- Improve digital support via an integrated self-serve and engagement platform
- Create joint propositions across assets and liabilities to improve collaboration

Initiatives in FY 2023-24

- Comprehensive end-to-end STP for digital CASA onboarding with DIY VKYC, facilitating digital acquisition at scale

- Digital co-origination enabled across CA and SA onboarding, including co-sourcing of 3-in-1 (demat and trading) account with SA for enhanced cross-sell and expanding wallet share
- Expanded current account book with agency business recording major milestones post-empanelment in 6 key states of India; Further augmented agency business with EPFO enrolment received in January 2024
- Offered comprehensive solutions such as YES Connect, Trade Finance, Forex, LRS Online, Payment and Collection solutions to cater to customers' banking needs, deepen wallet share and ensure continued engagement

SBO2

Deepening relationships with our customers

While the Bank continues to expand its relationships with existing customers to increase wallet share and fee income, acquiring new customers by leveraging existing distribution strength is another central area of focus. The Bank continues to develop and enhance customers' digital journeys across sales, service and operations. It serves as a one-stop solution catering to diverse needs through multiple product offerings serving customers' entire lifecycle. The Bank is also continually expanding its Relationship teams across its various customer segments such as YES Premia and YES First to help them address customers' needs efficiently.

Key Strategies

Increasing wallet share and fee income through:

- Sharper personalisation
- Cross-sell of transaction banking and other complementary solutions
- Para-banking solutions
- Enhancement of self-service processes

Initiatives in FY 2023-24

- Strengthened customised offerings and propositions for each customer segment
 - o Yes Private, YES FIRST and YES Premia – For mass affluent
 - o YES Prosperity – For mass customers
 - o YES Family and YES Respect – For senior citizens

- o YES Essence – For women customers
- o YES Vijay – For the defence forces

- Introduced "On-the-Go", an analytics-driven customer relationship management tool for relationship management and to deliver right products to customers at the right time
- Continued cross-selling through end-to-end digital journeys for Fixed Deposits, Credit Cards, Personal Loans, 3-in-1 Trading accounts, Mutual Funds and Insurance
- Focussed on fee income growth, with higher proportion of granular and transactional fee income, contributed by healthy product mix in third-party products and strong momentum in card spends



OUR STRATEGY

SBO3

Driving retail assets growth

In Retail Lending, our digital lending journeys and digital propositions, backed by robust credit, analytics and strong IT infrastructure, are enabling consistent growth. A combination of 'Digital First' capabilities and deep business expertise positions us well to drive growth prudently without compromising on portfolio quality.

Key Strategies

- Increasing the share of unsecured lending in the overall book, with special focus on high-yield product categories
- Exploring co-lending and partnership opportunities to accelerate growth
- Increasing the share of insourcing of loans by leveraging our branch banking network
- Increasing the proportion of priority sector lending through both organic and inorganic routes, especially in providing finance for small farmers, women and weaker sections.
- Being cost efficient and improving customer experience through process transformation of key lending journeys
- Reducing cost of customer acquisition

Initiatives in FY 2023-24

- Continued to capture rural value chain and generate priority sector lending through diversified portfolio and presence in ~230 districts in 17 states
- Initiated Loan in Seconds (LIS) platform and front-end automation initiatives (YES Robot) led to lower TAT and higher productivity
- Implemented Sales Force for key products assisting in process improvement and customer delight
- Introduced geo-tagging-based monitoring and continued analytics, besides digital onboarding and loan management system, to enable paperless processing
- Leveraged Fintechs and Digitechs for underwriting and risk management

SBO4

Pursuing profitable growth in SME segment

The Bank wants to be not only a "Lender", but a "Financial Services Provider" handling all requirements of SME customers. It has implemented some more enablers to gain a larger wallet share from the SME segment such as an API integrated ecosystem, entity and family banking propositions, loyalty rewards, dedicated portfolio team and virtual RM team.

Key Strategies

- To improve internal sourcing on liabilities base through analytics
- To enhance efficiency through simplified processing and seamless flow from origination to disbursement
- To explore co-lending opportunities in higher yield segments to accelerate growth
- To invest in platforms to augment digital offerings in Supply Chain finance to drive operational and functional efficiencies

Initiatives in FY 2023-24

Gained traction in CGTMSE, Supply Chain Finance and Digi OD towards granular and high-yielding book growth through below:

- CGTMSE – Extension of limit from ₹ 2 crore to ₹ 5 crore and initiating funding to "New-to-Credit" segment
- Digi OD – Pre-approved offering of higher-yielding OD up to ₹ 15 lakh for Existing to Bank customers
- Supply Chain Finance – Revamping customer journeys through state-of-the-art systems and calibrated programmes for better customer suitability and faster TAT
- Extended score-based templated lending to ₹ 7.5 crore for faster TAT and curated offering
- Instituted SME Direct Desk to render 35+ services exclusively for SME customers
- Pioneered launch of Credit Guarantee Scheme for Start-ups to register with NCGTC for ₹ 10 crore funding

SBO5

Enhancing mid-corporate and corporate profitability

Within Wholesale Banking, the mid corporate business has seen consistent growth over the past couple of years, and the Bank plans to continue this growth trajectory. It remains committed to enhancing customer experience through improvements in customer onboarding journey and automation, best-in-class relationship management and deepening the distribution network.

Key Strategies

- Deepening existing top-tier banking relationships
- Increasing wallet share through cross-sell of Transaction Banking, FX and Derivatives and digital product suite
- Maintaining laser sharp focus on portfolio quality and sustainable growth in fund-based book

Initiatives in FY 2023-24

- Focussed granularisation and growing of advances with capital light fee-driven business model

- Created new-age entrepreneurship ecosystem with bespoke digital solutions, incubation and networking platforms
- Strengthened relationships with top-tier large corporates with customised solutions, sectoral expertise, market intelligence and a relationship-centric approach
- Set up dedicated new-age banking team with focus on Unicorns and 'Soonicorns'
- Achieved market-leading position in cross-border remittances by leveraging Payment Aggregator model
- Maintained leadership position in startup ecosystem with API banking, customised digital solutions (UPI/PPI, Digital Escrow) and advisory services

SBO6

Creating value from Cards and Digital Banking franchise

The Bank has been witnessing healthy growth in its Cards base in the past few years, and plans to continue the growth momentum, improving internal sourcing efficiency and exploring co-branded partnerships. The Bank continues to be at the forefront of advancements in digital ecosystem. It is also a market leader in the digital payments space. It enabled digital acquisition equipped with video KYC and biometrics for a fully digital 'paperless' customer onboarding to drive acquisition and launched curated customised offerings to address customer needs.

Key Strategies

- Improving internal sourcing efficiency in Cards
- Exploring co-branded partnerships
- Transitioning from being product-centric to customer-centric with digitisation of value-added offerings
- Initiated self-service portal providing ease of access for services through WhatsApp banking
- Steadily investing towards monetisation of capabilities in digital payments
- Processing nearly 1 out of every 3 digital transactions in the ecosystem (UPI, IMPS, NEFT, AePS and Micro ATMs)

Initiatives in FY 2023-24

- Revamped credit card suite with enhanced features and new card designs for each customer segment curated with industry-best product features
 - o MARQUEE – for super affluent
 - o RESERV – for affluent
 - o ELITE – for mass affluent
 - o ACE and SELECT – for masses
- Launched Build Your Own Card (BYOC) with wide range of benefits tailored as per customers' lifestyle



OUR STRATEGY

- Launched a large co-branded credit card with Uni Cards
- Increased digital acquisition of Credit Card customers to 95%
- Enhanced distribution outreach through partnerships with Fintechs and affiliates
- Launched IRIS, a next-gen all-in-one super app for customers, with 220+ features
- Launched YES Pay as next-gen UPI payments app designed to elevate banking experience and facilitate payments safely and securely

SBO7

Expanding our distribution footprint

Customer-centricity is embedded in the Bank's distribution approach. With a strong physical network of 1,234 physical branches and 219 BC banking outlets, supported by best-in-class digital servicing capabilities, the Bank plans to continue to grow through a phygital model. It continues to expand physical distribution in key micro markets for growth in retail deposits and assets, even as digital distribution as a share of total distribution will grow in parallel.

Key Strategies

- Becoming the "Bank of First Choice" and a "one-stop-platform" for all types of banking services and all kinds of customers
- Nurturing relationships with customers, while creating accessibility for a wider pool
- Building a focussed branch network with profitable unit economics
- Targeting expansion strategy by exploring leaner formats integrated with technological capabilities and optimising size/location of select branches
- Leveraged growing distribution network to offer full spectrum of products (Deposits, Assets and Fee Products) exhibiting productivity gains and accelerating customer acquisition
- Gained significant traction in branch-led sourcing of assets and distribution of fee-based products
- Catered to all customer segments (UHNI, HNI, Mass Affluent, NRIs, mass, rural and inclusive banking) with full product suite
- Digital distribution and servicing through new-age mobile app IRIS and paperless processing through YES AIM and Video KYC capabilities

Initiatives in FY 2023-24

- Added 85 new branches in FY 2023-24 to bolster presence in high-deposit centres; working on expansion of branch network
- Strengthened alternate channels (Virtual Relationship Management) and fulfilled customer requests virtually
- Exploring new branch formats integrated with tech capabilities

SBO8

Continued momentum in transaction banking

YES BANK understands that there is an immense opportunity in nurturing relationship banking with start-ups, e-Commerce players and fintech ecosystem. It is a market leader in API banking, with 1,000+ API stack developed in-house. Through its niche and customised banking solutions, the Bank aspires to be the “Banker of Choice” to new-age companies.

Key Strategies

- To proliferate the API marketplace with existing clients by developing an integrated front-end solution
- To engage with 3rd party partners across different fields (accounting, legal, taxation, expense management, invoicing and payment gateways) to strengthen connected banking proposition

Initiatives in FY 2023-24

- Digitised client journeys (E2E STP for Trade Finance and Supply Chain) and created inorganic client acquisition funnel through fintech partnerships - MCTC on IRIS app
- Initiated sachetisation of solutions across industry segments

- Conducted API'fication of our marketplace model (YES BANK + Partner Stack) through 100+ solutions, including:
 - o Remittances
 - o Neo Banking services
 - o Statutory payments
 - o Payment aggregator services
 - o Payment optimisation
 - o E-invoicing
 - o Smart collections
- Becoming future-ready for BaaP and BaaS models
- Offered secondary ASBA in partnership with leading discount brokerage
- Completed pilot testing for digitising Liberalized Remittance Scheme (LRS)

SBO9

Strategic investments for growth

The Bank seeks inorganic growth opportunities in businesses or assets that either enable it to:

Expand
market share

Gain entry into an industry, customer or
geographic segment where it has no presence

Provide with
new capabilities

These partnerships can be either pure-play business arrangements, such as co-lending arrangements or 'Banking as a Service' partnerships, or it can be in the form of acquisitions, strategic investments or asset purchases.

Key Strategies

- Increasing proportion of priority sector lending compliant book and gaining access to newer geographies and capabilities
- Continuously exploring and evaluating strategic investments and/or inorganic opportunities in priority sector lending

Initiatives in FY 2023-24

- Conducted evaluation of strategic investments in unlisted start-ups and new age companies under Fintech Investment programme
- Enhanced technical capabilities of products and access additional granular liability or asset relationships through client base of investee companies



OUR STRATEGY

SBO10

Focus on People, Processes, Technology and ESG integration

As a future-ready bank, we are technology and digital-led in most of our operations. A digitally-enabled technology architecture, customer experience centricity, and insight-driven strategies and actions are among our focus areas in the long term. We will continue to invest in our engagement platform, front-end customer journeys and analytics to deepen our engagement with customers. Our 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.

Key Strategies

- Enhancing IRIS platform to be the mobile 'platform of choice' for cross business applications from sales to support servicing journeys
- Leveraging Analytics team to improve sourcing and decision-making, while strengthening personalisation and cross-sell capabilities with enhanced action engines and campaign analytics
- Investing in timely expansion of distribution resources to accelerate sourcing and portfolio build-up
- Building an agile, future-ready organisation, while continuing to hire key talent and drive structured learning programmes for skill building and career progression
- Integrating ESG considerations into the business as a key priority

Initiatives in FY 2023-24



Tech-based initiatives:

- API / Micro-services
- Data & Analytics
- Partner ecosystem
- Artificial Intelligence / Machine Learning
- Compliance and security



People initiatives:

- YES Inspire Women Mentorship Programme
- Advanced Leadership Programme (ALP) for Top and Senior Management executives
- Employee engagement workshops
- 'Voice of YES' Employee Feedback Survey
- YES School of Banking - Upskill and Certification programmes

The Bank has been ranked among the Top 50 in 'India's Best Workplaces in BFSI' by Great Place to Work® Institute for the second consecutive year. This reflects a high-trust and high-performance culture existing at YES BANK.

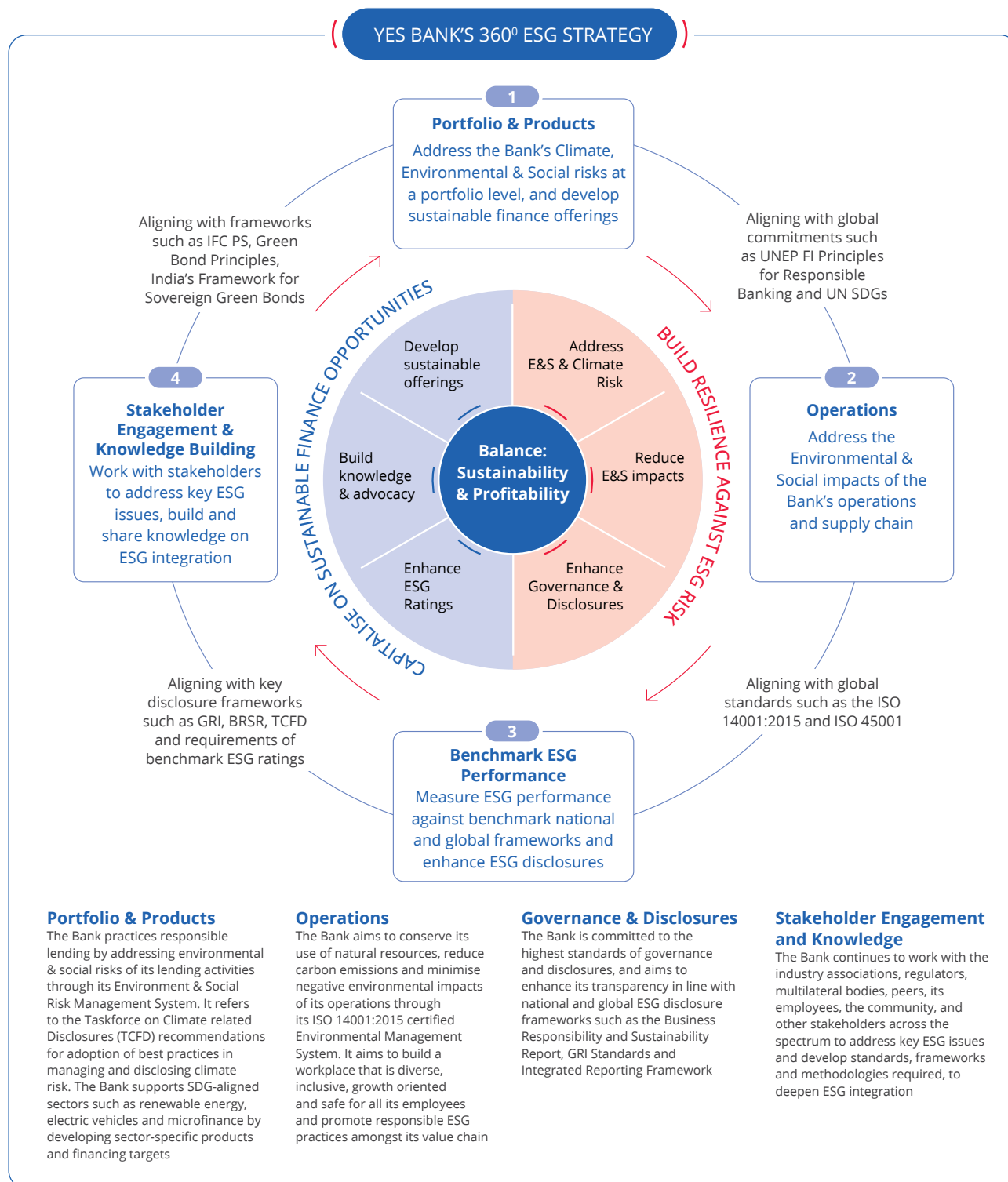


ESG achievements:

- Achieved the highest S&P Global ESG score of 74 (out of 100) amongst Indian banks as at February 16, 2024
- Achieved the highest CDP rating of A- (Leadership Band), among Indian banks for 2023 Climate Change disclosures
- Included in FTSE4 Good Index
- Ranked highest on climate preparedness by Climate Risk Horizons' 2023 study, amongst 34 large scheduled commercial banks
- First Indian bank to be a Founding Signatory to UNEP FI Principles for Responsible Banking, striving to align business strategy with Paris Agreement and UNSDGs
- First bank to have as many as 1,186 facilities under its ISO 14001:2015 certified Environmental Management System
- Achieved 24% reduction in financed emission intensity of electricity generation portfolio (from base year FY 2021-22)
- One of only 5 Accredited Entities to the Global Climate Fund
- Advances of ₹ 18.63 crore given to SMEs under the YES KIRAN scheme to aid SME manufacturers in accessing solar power

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.





Risk Management Governance Framework

The Bank has implemented an Enterprise Risk Governance framework to ensure integrated risk assessment and management. The Bank's Risk Management philosophy is guided by its robust Governance Framework and three Lines of Defence highlighted below and further detailed on [Page 244](#).





The Board has the overall responsibility for Risk Management and oversees the Bank's Risk & Control environment, and also reviews and approves the policies as 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 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
- Establishes policies governing various aspects of risk management, which lay 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 risk management practices, policies, procedures and to have adequate oversight on the risks faced by the Bank. The Board Committees have in turn set up various Executive-level Committees for oversight over specific risks (details of these Committees can be referred to on [→](#) Page 78

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-based events, potential threats, performance of the Bank vis-à-vis Risk Limits and Risk Appetite, and Risk Profile dashboard covering key risk indicators, among others, are presented to these Committees, with periodic trends highlighted along with level and direction of risks.

Additionally, in line with best Risk Governance practices, the Bank has independent 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.

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



RISK MANAGEMENT GOVERNANCE FRAMEWORK

CORE RISKS

R1

Operational Risk

Brief Description of 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.

Governance Framework

Operational Risk is monitored and reviewed by 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, Standing Committee on Customer Service based on the underlying risk.

Risk Measurement, Management and Mitigation

The Bank has adopted policies, procedures and controls across the organisation to mitigate Operational Risk. 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 senior

management executives, post reviewing the proposal and accordingly approving the same. The products & services approved by the PPAC are presented to Risk Management Committee and the Board on a quarterly basis

- Business Continuity Plan (BCP) for ensuring resiliency in its business operations and to minimise impact on services during disasters/disruptions. The Bank's business continuity programme is ISO 22301 certified
- 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, Outsourcing and Business Continuity is supervised by the Operational Risk Management Committee (ORMC), chaired by Chief Risk Officer (CRO) at the management level and by Risk Management Committee (RMC) at the Board-level

Impact

Operational Risk may lead to financial loss to the Bank. Additionally, Operational Risk events may lead to multiple customer grievances and cause reputation loss to the Bank. The Bank may also face legal actions and incur losses due to penalties imposed or compensation paid to the customers as required by the legal or regulatory bodies. Operational risk events may also result in loss of data or pose an increased information security risk.

R2

Market (Trading Book / Investments) Risk

Brief Description of 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, among others.

Governance Framework

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

Risk Measurement, Management and Mitigation

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

- The Bank manages market risk through 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, and Rate Scan, among others
- Additionally, the Bank has strong processes and systems in place, along with independent Middle Office and Market Risk Function to monitor the risk on an ongoing basis and submit the same with the ALCO and the Board

Impact

Market risk may have an 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.





RISK MANAGEMENT GOVERNANCE FRAMEWORK

R3 Credit Risk

Brief Description of Risk

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

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 and Non Co-operative Borrowers.

Risk Measurement, 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/scorecards are used to appraise and score different customer segments under Retail and SME segments. In

wholesale segments, credit risk is managed by capping exposures based on borrower groups, industry, credit rating grades, country, among others. This is backed by portfolio diversification, stringent credit approval processes and periodic post-disbursement monitoring and remedial measures

- For wholesale and retail segments, robust front-end and back-end systems are in place to ensure credit quality and minimise loss from defaults. In the Retail Assets space, the Bank has adopted a calibrated and granular asset growth strategy with emphasis on superior risk filters and adoption of digital based lending, 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

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 it maintains a diversified loan portfolio, reduce its exposure to risk, and minimise potential losses.

R4 Asset Concentration Risk

Brief Description of Risk

Asset Concentration Risk is defined as 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.

Governance Framework

Asset Concentration Risk is primarily monitored and reviewed by Enterprise Risk Management Committee (ERMC).

Risk Measurement, 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), and correlated industry groups (economic sectors), among others. 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, and rating wise caps.

Impact

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

R5

Compliance Risk

Brief Description of Risk

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

Governance Framework

Compliance risk is reviewed and monitored by the Enterprise Risk Management Committee (ERMC).

Risk Measurement, 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

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.

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 and behaviours do not align with its stated values or societal expectations.

Governance Framework

Reputation Risk is reviewed and monitored by Enterprise Risk Management Committee (ERMC).

Risk Measurement, Management and Mitigation

- Oversight of Reputation Risk Management, related policy and reputation crisis management action plan by a senior Management level Committee (ERMC). 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
- Review of new products by senior management, audit & compliance, and risk management through PPAC (Product and Process Approval Committee)
- 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

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 may be difficult to recover from an extreme event.



RISK MANAGEMENT GOVERNANCE FRAMEWORK



R7

ALM Risk

Brief Description of Risk

ALM Risk arises on account of liquidity risk and interest rate risk. Liquidity risk is the risk that the 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.

Governance Framework

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

Risk Measurement, Management and Mitigation

- The Bank has an asset-liability management policy for liquidity 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 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 extreme scenarios

- 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 intraday 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, with internal policy limits as well as a robust monitoring and reporting process

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 capital. Excess interest rate risk may also result in erosion of profitability when interest rates move adversely.

R8

Strategic Risk

Brief Description of Risk

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

Governance Framework

The Bank periodically reviews financial performance against its strategic objectives and business plans through its Apex Management Committee (AMCOM), and identifies course corrections as necessary. Actual performance vis-à-vis budget are reviewed by the Board on a quarterly basis.

Aspects pertaining to Strategic Risk are also reviewed and monitored by the Enterprise Risk Management Committee (ERMC) on a periodic basis.

Risk Measurement, 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, risks to be considered, and

completeness. The overall strategy of the Bank is reviewed with and approved by the Board. Financial planning for the upcoming financial year is conducted in alignment with the Bank's long-term strategic objectives. The annual budgets and business plans are also approved by the Board after deliberations and discussions with the Management.

The Bank does regular monitoring of actual outcomes vis-à-vis budgeted targets, which are reviewed by Business Heads and MD & CEO. The Bank also periodically reviews financial performance against its strategic objectives and business plans through its Apex Management Committee (AMCOM), and identifies course corrections as necessary. Actual performance vs. budget is reviewed by the Board on a quarterly basis.

The Bank also tracks Strategic Risk by evaluating performance on key identified metrics linked to the Bank's strategic objectives. The Strategic Risk is reviewed on a quarterly basis and mitigation plan is documented in case of moderate or high risk. Strategic Risk is also tracked and presented to the ERMC committee as well as RMC and Board as part of the ERM dashboard on a quarterly basis.

Impact

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





RISK MANAGEMENT GOVERNANCE FRAMEWORK

R9

Attrition Risk

Brief Description of Risk

Attrition Risk is the potential of losing employees from the organisation due to resignation, or retirement along with lack of interest from potential employees to join the Bank.

Governance Framework

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

Risk Measurement, Management and Mitigation

The Bank has undertaken various initiatives such as timely closure of branches, step-up targets, hiring through alternate channels, prompt redressal of employee grievances, incentive in-line with other Banks, de-linking of local conveyance and mobile reimbursement from minimum sales achievement, identifying and elevating top

performing frontline sales/service executives, in order to ensure retention of junior management levels of Retail segment. Additionally, the Bank has created Retention Action Workgroup RAW - a dedicated team focussed on identifying and addressing key factors that contribute to employee satisfaction and commitment to the organisation, which has proven instrumental in enhancing employee retention.

Impact

Attrition may impact the Bank in several ways such as lowering the morale, reduction in productivity and also its culture. Higher attrition is also linked to higher costs associated with replacing, onboarding and training the human assets. It may additionally result in operational risk due to lack of adequate skilled manpower to perform critical activities.

R10

Model Risk

Brief Description of Risk

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

Governance Framework

Model risk is reviewed and monitored by the Model Assessment Committee (MAC).

Risk Measurement, 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, Model Documentation, Model Validation, Model Performance Monitoring and Model Risk Assessment. 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.

Impact

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

EMERGING RISKS

R11 Climate Risk

Brief Description of Risk

Climate risks are emerging long-term risks comprising:

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.





RISK MANAGEMENT GOVERNANCE FRAMEWORK

Climate Risk Governance

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 Management Committee:

As an Executive level committee, ERM 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.

ERM 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.

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), 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:

The 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.

The Bank's Enterprise Risk Management (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 & 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 Measurement, 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 Climate Action section on [→](#) Page 162 of the Report.



RISK MANAGEMENT GOVERNANCE FRAMEWORK

R12 Information Security Risk

Brief Description of Risk

Information security encompasses a broad spectrum of practices and technologies aimed at protecting data from unauthorised access, disclosure, alteration, or destruction. It encompasses not only technological solutions, but also policies, procedures, and awareness initiatives designed to mitigate risks and vulnerabilities.

Information security risk refers to the potential threats and vulnerabilities that could compromise the confidentiality, integrity, and availability of sensitive information and critical systems within our environment. These risks encompass various scenarios, including cyber-attacks, data breaches, insider threats, regulatory non-compliance and operational disruptions. This can result in financial losses, reputation

damage, regulatory sanctions and broader implications for the stability of the financial system.

Effectively managing information security risks involves identifying, assessing, prioritising, and mitigating potential threats to ensure confidentiality, integrity, and availability of information assets. This is essential for maintaining trust, protecting assets and ensuring the resilience of banking operations in an increasingly digital and interconnected landscape.

Governance Framework

Information Security Risk is monitored and reviewed by the Security Council on overall basis and for customer transactions by Fraud & Suspicious Transaction Monitoring Committee.



Risk Measurement, 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 Bank has adopted a systematic and ongoing approach to identify assess, mitigate and monitor risk to protect all the information assets
- The General Data Protection Regulation (GDPR) has also been implemented across relevant operations
- The Bank has put a governance structure in place, and a Board-level committee 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 defense to protect against cyber-attacks and adopts a cyber security resilient framework to manage cyber security risk.

The framework rides on 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 has also adopted Global standard like PCI DSS for card-related operations

- The Bank ensures compliance to the Regulatory Advisories, Circulars and Guidelines released by regulatory bodies
- 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

Impact

Information security risk poses significant challenges, encompassing financial, reputational, regulatory, operational, and customer-related dimensions. Proactive measures, including robust cybersecurity frameworks, employee training, risk assessments, and collaboration with industry stakeholders, are essential to mitigate these risks and safeguard the integrity and stability of the Bank.



Stakeholder Engagement & Materiality Assessment¹

Given its vast national presence, depth and breadth of its offerings, and a wide array of business activities, YES BANK serves a broad spectrum of stakeholder groups, each of whom either help contribute to or are impacted by the Bank's value creation journey.

Based on a survey of its top management and senior leadership, the Bank has identified 10 critical stakeholder groups that are most affected by its business activities, and in turn, impact its ability to create value. The Bank believes in engaging closely with all its key stakeholders in order to better understand and address their needs, and incorporate their feedback into the Bank's overall business strategy. The Bank follows a robust stakeholder engagement model, employing a combination of structured, and need-based engagement mechanisms

to reach out to these stakeholder groups on a periodic basis. The Bank has set up dedicated grievance redressal mechanisms and set up specialised business units, through which stakeholders can redress any of their grievances. Critical concerns voiced by stakeholders are communicated to relevant Board-level committees, periodically. In FY 2023-24, the Bank continued to engage with its critical stakeholder groups through various means, a summary of which is provided below.



¹GRI 2-14, GRI 2-16, GRI 2-29

1

Employees



Means of Engagement	Frequency	Key Concerns	Our Response
Employee Service Desk - Query and Grievance Redressal	Ongoing	Training & Growth	~₹ 2,290 spent per FTE on Training & Development 6,827 training programmes, 8.86 average training days per employee and 27,819 employees trained
HRMS and Bank's Intranet	Continuous	Employee Wellbeing	Policy on Employee Health Check-up, availability of medical facilities and wellness centre, insurance benefits and other employee wellness initiatives
Employee Engagement & Wellness Measures	Ongoing	Non-Discrimination	Policy on Equal Opportunity and on Prevention and Prohibition of Sexual Harassment at Workplace. Institution of a Diversity & Inclusion Council to accelerate D&I initiatives across the Bank
Learning Management System	Permanent	Career Progression	Annual Performance Review for all eligible employees and a policy on Internal Job Posting for career progression
Learning & Development Interventions	Ongoing		
Employee Performance Management	Annual		
E-mailers and Virtual and In-person Meetings	Ongoing		

Means of Grievance Redressal¹: The Bank has an Employee Service Desk for addressing individual employee grievances

2

Regulatory Bodies



Means of Engagement	Frequency	Key Concerns	Our Response
Mandatory filings with regulators including RBI and SEBI (Stock Exchanges)	Periodic & Eventual	Compliance and governance	- Policies on 'Board Diversity and Fit & Proper Criteria and Succession Planning'; 'Board Remuneration' and on 'Code for Corporate Governance' covering Bank's governance practices which are in line with provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), The Banking Regulation Act, 1949, RBI Guidelines - Risk and Compliance Culture Policy overseen by the Board-level Risk Management Committee, Audit Committee, and the Board
Engagement at banking platforms and meetings	Eventual		

Means of Grievance Redressal¹: The Bank has dedicated Compliance and Company Secretarial units for addressing any concerns raised by regulatory bodies

¹GRI 2-25, GRI 2-26



STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

3 Customers

Means of Engagement	Frequency	Key Concerns	Our Response
Branches & Retail Assets Centres (Walk-ins)	Branch Working Hours	Requirement of new features in digital products	Pioneering innovative digital solutions such as YES ROBOT, WhatsApp Banking, YES PAY Hub & Lite, YES MSME, YES BANK Digital Rupee, amongst others
Contact Centres (Voice)	24x7	Staff manpower issues leading to higher wait time	Additional staff deployed wherever feasible. Launched AI-enabled Personal Banking Assistant YES ROBOT
Contact Centres (Non-Voice)	Working Hours		
Digital Channels (Net Banking & Mobile Banking) (Log in)	24x7		
Branch Level Service Committee Meetings (Walk-ins)	Monthly		
Standing Committee on Customer Service (Online)	Quarterly		
BC Network (Walk-Ins)	Working Hours		
Transaction NPS Surveys (Emails/SMS/Calls)	Triggered post customer transactions		

Means of Grievance Redressal¹: Customers can redress their grievances and concerns by visiting the Bank's Branch or contacting the Bank's contact centre: <https://www.yesbank.in/contact-us>

4 Shareholders & Investors

Means of Engagement	Frequency	Key Concerns	Our Response
Annual Report	Annual	Profitability and value creation	YES BANK achieved its third straight full year profitability in FY 2023-24
Annual General Meeting	Annual	ESG Performance	The Bank achieved the highest S&P Global ESG score amongst Indian banks in FY 2023-24
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		

Means of Grievance Redressal¹: Shareholders and investors can address their concerns through the Bank's Investor Helpdesk: <https://www.yesbank.in/pdf?name=contactdetailsforshareholdersgrievancesredressal.pdf.pdf>

¹GRI 2-25, GRI 2-26

5 Business Associates



Means of Engagement	Frequency	Key Concerns	Our Response
API Banking console for Relation Managers (RM) to log complaints on behalf of clients	Permanent	API security and compliance	Steps to secure API stack for API services exposed to clients for various banking services (merchant pay-outs etc.)
Dedicated L1 and L2 desks to address queries, complaints and technical issues raised by Fintechs/SMBs/NBFCs	Permanent	Information security (Customer sensitive data) of Data exchanged with Fintechs/SMBs/NBFCs	Strong governance and Information Security Policy regarding storing and transmitting customer sensitive information (PII data) outside Bank network or being stored on Bank's private cloud or vendor managed cloud platforms
Relationship Managers assigned	Permanent	Quality Product & Services	Strong governance for existing and new product launches. Mandatory assessment, scrutiny by all key stakeholders including IT, Compliance, ORM, Operations, Audit, to ensure zero loopholes in the offering
		Customer Service channel	The Bank has dedicated customer service channels like corporate website, YES Genie, Talisma, etc. through which customers can log their concerns and issues with defined escalation matrices for customers to reach out to the next level if issues remain unresolved

Means of Grievance Redressal¹: The Bank has setup dedicated Level 1 and Level 2 desks to address queries, complaints and technical issues raised by Fintechs/Sub-member banks/NBFCs. Partners can also log complaints through the Relationship Managers assigned to them.

6 Vendors



Means of Engagement	Frequency	Key Concerns	Our Response
Online procurement portals	Permanent	Transparency in sourcing processes	SAP Ariba e-Sourcing Platform for improved fairness and transparency in sourcing processes
Supplier Sustainability Workshops	Eventual	Business opportunities for MSMEs and local vendors	In FY 2023-24, the Bank engaged with 769 MSME vendor amounting to total spend of ₹ 862 crore. 100% of the Bank's sourcing was done locally
Vendor Communications by Strategic Procurement Unit	Eventual		

Means of Grievance Redressal¹: The Bank has a Corporate Whistle-blower Initiative' (CWI) - independent online reporting service for secure, confidential communication of vendor concerns which can be accessed here: <https://www.yesbank.in/strategic-procurement-unit>

¹GRI 2-25, GRI 2-26



STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

7 Industry & Peers

Means of Engagement	Frequency	Key Concerns	Our Response
Industry and trade associations such as CII, FICCI & IBA	Annual	Knowledge Sharing/Partnerships	Knowledge partnerships with industry bodies on sustainable agriculture, electric mobility amongst topics
Memberships to national and international associations, such as UNEP Finance Initiative	Annual	Opportunities to collaborate	Only Indian founding signatory and member to the UNEP FI Principles for Responsible Banking (PRB) with continued progress and disclosures on PRB targets
Signatory to international protocols including UN Global Compact, CDP	Annual		

8 Financial/ESG Analysts

Means of Engagement	Frequency	Key Concerns	Our Response
Analyst Conference Call	Quarterly	Profitability and value creation	Achieved net profit at ₹ 1,251 crore (up 74.4% Y-O-Y) - third straight full year of profitability
One-on-one and group meetings	Ad hoc	ESG Performance	Achieved highest S&P Global ESG score of 74 out of 100 and highest CDP rating of 'A- Leadership Band', amongst Indian Banks, during the year
Investor/analyst conferences	Ad hoc		

Means of Grievance Redressal¹: The Bank has a dedicated Financial and Investor Strategy unit that addresses any concerns raised by financial analysts and also conducts analyst conference calls on a quarterly basis. ESG analysts can address their queries and concerns by sending an email to responsible.banking@yesbank.in



¹GRI 2-25, GRI 2-26

9

Community



Means of Engagement	Frequency	Key Concerns	Our Response
Employee Volunteering through our institutionalised EVOLVE initiative	Periodic	Opportunities for inclusive growth	Target to create employability and entrepreneurship opportunities for 100,000 youth by 2026 through YES Foundation
Beneficiary interactions as part of CSR project monitoring	Periodic		9,000+ underprivileged youth skilled since 2021 by providing skills-based training for market-oriented jobs
Capacity building of CSR implementation partners	Periodic		Enabled entrepreneurship opportunities, enhanced earning capability for 35,000+ village youth with a focus on farm productivity, farm extension, handicrafts, among others
Media & press releases	Eventual		
Thought leadership forums	Eventual		
Annual Report	Annual		

Means of Grievance Redressal¹: Implementation partners and community members can address their concerns by visiting <https://www.yesfoundation.in/contact-us.html>

10

Media



Means of Engagement	Frequency	Key Concerns	Our Response
Press Releases & Media coverage	Eventual	Transparent and accurate information	Periodic press releases on the Bank's results and announcements
Interviews of the MD & CEO, and top management	Eventual	Views and insights from top management on the Bank's business	Regular interviews with top management on the Bank's strategy and progress
Bank's digital assets including website	Eventual		

Means of Grievance Redressal¹: Media outlets can address their concerns by sending an email to corporate.communications@yesbank.in

¹GRI 2-25, GRI 2-26



Materiality Assessment

YES BANK operates within a fast moving and rapidly changing banking and finance sector in one of the world's fastest growing and emerging economies. With India emerging as the world's foremost growth engine, the Bank's business not only contributes to the country's economic progress, but also plays a key role in the nation's sustainable development agenda.

The Bank's operations, business activities, products and services, and relationships touch a multitude of stakeholders across the country and help advance India's national priorities. Cognisant of the impacts its business can have across economic, environmental and social dimensions, YES BANK proactively carries out a materiality assessment exercise triennially to identify and mitigate negative impacts and advance positive impacts, originating from its business activities. The Bank's material topics represent its most significant impacts across its operations, business, products and value chain. In FY 2023-24, the Bank conducted a fresh materiality assessment. The material topics identified as part of the materiality assessment are considered pertinent areas of interest to the Bank's stakeholders, forming a key input to the management's strategy and approach towards sustainability, and guiding the Bank's sustainability-led disclosures in this Integrated Annual Report.

Methodology: Materiality Assessment FY 2023-24¹

The Bank's materiality assessment exercise for FY 2023-24 followed a comprehensive 5-step methodology based on the requirements of benchmark sustainability disclosure frameworks such as SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework, GRI Standards (2021), and the international <IR> framework.

To holistically assess the impacts of its business activities, the Bank adopted the double-materiality concept, analysing both the impacts that its business has on the economy, environment, and people, including impacts on their human rights; and the impact of current sustainability issues on the Bank's own enterprise value creation process.

METHODOLOGY

1

Impact Identification

- Undertaking a comprehensive desk-research, BFSI sector peer benchmarking, and internal deliberations to curate an extensive list of impacts that arise or may arise from the Bank's business
- Covering impacts that could positively or negatively affect the economy, environment, and people, (including impacts on their human rights), and impacts that in-turn could affect the Bank's enterprise value creation process
- 83 impacts were identified, categorised, and clubbed under 15 potential material topics

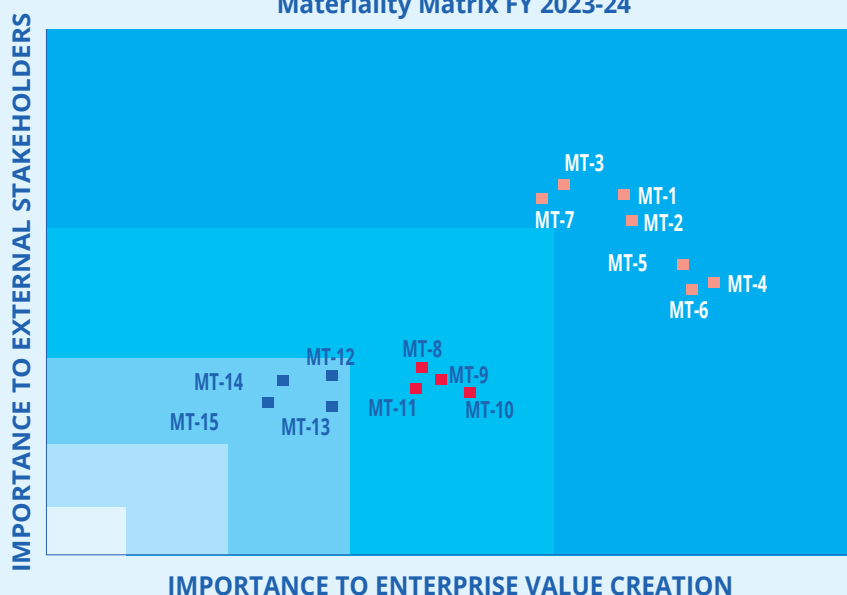
2

Stakeholder Engagement

- Roll out of a stakeholder engagement programme to gather insights from the Bank's key stakeholders on the materiality of the impacts identified
- A digital survey was curated to collect stakeholder ratings on the materiality of all impacts
- The survey covered 11 key internal and external stakeholder groups: Top Management, Regulators, Employees, Customers, Shareholders & Investors, Financial & ESG Analysts, Business Associates, Suppliers, Media, Industry & Peers, and Community groups

¹GRI 3-1

Materiality Matrix FY 2023-24

**Materiality Matrix: FY 2023-24**

The Bank's materiality matrix was constructed by plotting the ratings of material topics by "Importance to Enterprise Value Creation" on the X axis and by "Importance to external stakeholders" on the Y axis. The change in the number of material topics from 10 to 11 from the previous financial year was due to the addition of "advancing sustainable finance" as a separate material topic. Other minor changes were due to changes in the nomenclature of some material topics for the purpose of enhancing the topic's coverage and coherence.

For detailed information on the Description, Impacts and Management of each Material Topic - refer to the following sections¹:

- **M1** Governance and Compliance → Page 92
- **M2** Business Ethics → Page 104
- **M3** Data Security & Privacy → Page 110
- **M4** Digital Innovation → Page 114
- **M5** Customer Relations → Page 120
- **M6** Employment Practice → Page 128
- **M7** Progress on Profitability → Page 152
- **M8** Climate Action → Page 162

- **M9** Financial Inclusion → Page 172
- **M10** Operational Eco-efficiency → Page 184
- **M11** Sustainable Finance → Page 194

3 Impact Significance —

- Each identified impact was evaluated as positive or negative and actual or potential and assigned a 'significance' score based on its severity, likelihood, scale and scope, and impact on human rights. The Bank's top management and senior leadership reviewed the 'significance' rating of the impact

4 Impact Prioritisation —

- The stakeholder ratings (step 2) and the significance scores (step 3) were mapped to arrive at the prioritisation of the identified impacts and the corresponding 15 potential material topics

5 Materiality Matrix —

- The ratings of each topic were plotted on two axes, "importance to enterprise value creation" and "importance to external stakeholders"
- The median rating was taken to be the materiality threshold for both aspects
- 11 out of 15 topics rated on or above the median were determined as the Bank's most significant material topics
- The final materiality ratings and material topics were approved by the Sustainability Council and the CSR and ESG Committee of the Board

¹GRI 3-2



Our Value Creation Model

CAPITALS

INPUTS



Financial

C1

- Equity: ₹ 42,145 crore
- Deposits: ₹ 266,372 crore
- Borrowings: ₹ 79,941 crore



Human

C2

- Investment towards Human Resources: ₹ 3,774 crore
- ₹ 2,290 spent per FTE on Training & Development in FY 2023-24
- Target to increase women's participation in workforce to 25% by FY 2024-25
- Cost incurred on wellbeing measures amounting to 0.17% of revenue in FY 2023-24
- Full Time Employees (FTE): 28,001 YES BANKERS
- New hires during the year: 11,749



Natural

C3

- ₹ 139.29 crore in outstanding loans towards Electric Vehicles
- Robust Climate Governance, Environment and Social Risk Management System (ESMS) and Environmental Management System (EMS)
- Target to achieve net zero emissions from operations by 2030
- Target to reduce financed emissions intensity of the Bank's electricity generation loan portfolio
- ~52,294.06 MWh of grid electricity consumed (non-renewable energy sources)
- ~7,339.32 MWh of grid electricity consumed (renewable energy sources)
- ₹ 2.98 crore in investments towards energy conservation
- ₹ 3,819 crore in sanctioned debt facilities towards RE projects of ~637 MW



Manufactured

C4

- 1 IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT)
- Rural portfolio covering ~230 districts in 17 states
- Investments towards technology/IT Costs: ₹ 1,108 crore
- 5 state-of-the-art data centres in Maharashtra and Karnataka
- 8 Major Offices and 51 Regional Offices
- 1,234 Branches, 1,290 ATMs and 219 BCBOs
- 1 representative office in Abu Dhabi



Social & Relationship

C5

- Diverse base of 7,700+ suppliers
- Voice of the Customer scoring and NPS to measure customer experience
- Strong information security/cyber security governance
- Target to catalyse employment & entrepreneurship opportunities for 100,000 youth by 2026
- Serving diverse customer segments including corporates, SMEs, individuals, rural women and farmers
- 6.56 lakh active women customer base in rural India



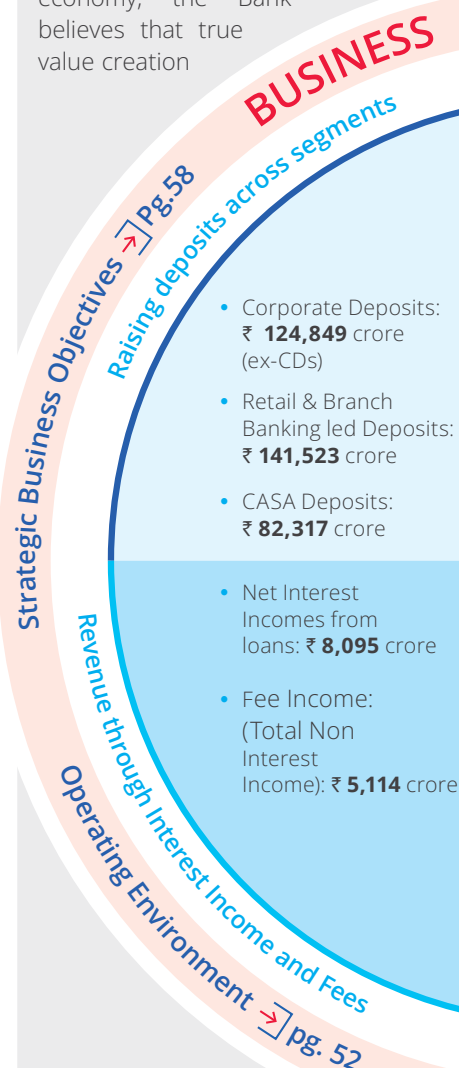
Intellectual

C6

- Best-in-class technology / API stack
- Dominant leadership in digital payments
- 1,000+ API Stack Developed in-house

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 21st 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. The 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.

MODEL

Lending funds across segments
Risk Management Governance Framework

- Corporate Advances: ₹ 52,976 crore
- Mid Corporate Advances: ₹ 34,393 crore
- Retail Advances: ₹ 105,103 crore
- SME Advances: ₹ 35,327 crore
- Rural Advances: ₹ 6,427 crore (included in Retail Advances above)

- Trade and Cash Management Services: Fee income of ₹ 897 crore in FY 2023-24

- Forex sales: Forex fee income of ₹ 803 crore in FY 2023-24
Balance Sheet management

- Para-banking and other services

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

Transaction Banking and Treasury activities
pg. 68

Our Performance → pg. 92

MATERIAL TOPICS → OUTPUTS

Governance & Compliance	54%: Proportion of Independent Directors on the Board 23%: Proportion of women Directors on the Board - ESG and climate-related KPIs linked to goalsheets of MD&CEO and relevant top management - Penalties/fines totalling ₹ 192,550 levied through regulatory actions
	Zero public legal cases against the organisation or employees regarding corruption during the reporting period
Business Ethics	Zero incidents/violations of corruption that led to terminations/non-renewal of contracts with suppliers
Data Security & Privacy	- Zero instances of data breaches - Nil data breaches involving personally identifiable information of customers
	#1 in UPI Payments with 34.5% market share with ~99.8% success rate #1 in AePS, powering 29.3% of all AePS transactions #2 in NEFT with ~98.7% success rate & 8.6% market share 90% eligible CA accounts sourced digitally 95% New Credit Cards approvals digitally
Digital Innovation	#70: Net Promoter Score for FY 2023-24 (an improvement from last year's NPS of 68)
Customer Relations	- Ranked Top 50 in 'India's Best Workplaces in BFSI 2024' rankings by the Great Place to Work Institute - Women participation in workforce at 21.8% (up from 21.0% in FY 2022-23) 8.86 average training days per employee with 27,819 employees trained 99.7% return to work rate after maternal leave - Employee attrition reduced to 38.2% (from 42.7% in previous year)
Employment Practices	3rd straight year of full year profitability with FY 2023-24 Net Profit at ₹ 1,251 crore (up 74.4% Y-O-Y) - FY 2023-24 Non-Interest Income up 38.8% (Y-O-Y) 1.7% GNPA ratio in FY 2023-24 (down from 2.2 in FY 2022-23). Reduced NNPA ratio to 0.6% from 0.8% in FY 2022-23 44% Proportion of RoA accretive products in the Bank's disbursements (up from 35% in FY 2022-23) 85 new branches opened in FY 2023-24
Progress on Profitability	24% reduction in financed emission intensity of electricity generation portfolio (from base year FY 2021-22) 619 ktCO₂e annual attributable emissions avoided through the Bank's RE financing - Rated 'A-' (Leadership Band) by CDP for 2023 Climate Change disclosures - Part of MSCI ACWI Low Carbon Leaders Index, ACWI Climate Change Index, MSCI India Climate Action Index (as on April 2024)
Climate Action	₹ 1,678 crore disbursed to 6.56 lakh women through YES LEAP in FY 2023-24 - Over 105,000 accounts opened under Pradhan Mantri Jan Dhan Yojana 1,460 Financial Literacy Camps conducted in rural India
Financial Inclusion	18.06% reduction in Bank's energy intensity per rupee of turnover (Y-O-Y) 40,892 tCO₂e in Scope 1 and Scope 2 emissions in FY 2023-24 19.55% reduction in emission intensity per rupee of turnover (Y-O-Y) 5,254 tCO₂e in avoided emissions from the use of renewable energy at the Bank's facilities 133 tonnes of waste recycled and diverted from disposal 2 lakh: Trees planted under YES Foundation's agroforestry project 3 offices along with 43 of 92 Mumbai Branches switched to renewables - IGBC certification: YES BANK House received Platinum certification and the Bank's Okhala Office received Gold certification in FY 2023-24
Operational Eco-efficiency	309 ktCO₂e of annual attributable emission avoidance from RE projects financed through Bank's green bonds ₹ 6,310 crore: Khushi (Affordable) Home loan portfolio as at March 31, 2024 ₹ 35,327 crore SME advances as at March 31, 2024 40,000+ youth impacted through YES Foundation's employability and entrepreneurship programmes, till date
Sustainable Finance	



Governance and Compliance

YES BANK continues to foster a strong culture of good governance and compliance, across all facets of its business, with an aim to safeguard trust and create value for all its stakeholders, in a responsible way. The Bank has constituted an independent and diverse Board, which along with the Bank's various committees and the management, guides the Bank's overall strategy and oversees its policies, internal controls, risk management frameworks, monitoring & reporting mechanisms, and their adherence to the highest standards of accountability and transparency.

Ensuring compliance with regulatory requirements, is another key overarching consideration at YES BANK. The Bank's dedicated Compliance Department strives to be at the forefront of regulatory changes and continues to work closely with all the business units to be compliant with the existing and new requirements.

MATERIAL TOPIC

1

Description and Impacts

Governance and compliance refers to the approach of YES Bank's Board and Management to enhance accountability and transparency, and systematise prudent controls, risk management and reporting in organisational processes and strategies. Good compliance culture refers to the Bank's conformance with all local, regional, national and international laws, regulations and policies.

Impacts on Stakeholders

- Good governance and compliance practices enable the Bank to function efficiently and to create value for all stakeholders, leading to overall social and economic development^{PASS}
- Prudent governance and risk management practices, enhance economic stability and prevent crises^{PPLS}

Impacts on Enterprise Value Creation

- Transparency helps boost investor confidence, reduces cost of capital and enhances communication amongst the Bank's stakeholders^{PASC}
- Good governance helps safeguard the Bank against risks and improve enterprise value^{PALC}
- Good governance improves decision-making and efficiency, strengthens the Bank's reputation and brand image, and helps attract new talent and retain its employees^{PALC}
- A good compliance culture prevents the Bank from being subject to risks of fines, penalties and litigation^{PBSR}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to promote good governance and compliance within the organisation:

1. The Bank has a 'Policy on Board Diversity and Fit & Proper Criteria and Succession Planning' which details the process for appointment of Directors. The Bank also has a Board Remuneration Policy for determining the remuneration of Directors of the Bank in terms of the statutory and business requirements of the Bank
2. To fortify its governance practices, the Bank has established 10 Board-level Committees which assist Board in discharging its responsibilities effectively. The Nomination & Remuneration Committee of the Board, with majority representation of independent directors, makes recommendations to the Board for appointment of Directors and reviews the Board's performance evaluation framework
3. During the year, Board Performance Evaluation exercise was conducted through an Independent External Agency
4. The Bank has also constituted a Board-level Corporate Social Responsibility and Environmental Social & Governance (CSR & ESG) Committee which along with the executive-level Sustainability Council, oversees the Bank's overall sustainable development agenda
5. The Bank's Directors and senior management have confirmed their adherence to the Code of Business Conduct and Ethics that prohibit actual and apparent conflicts of interest
6. The Bank has defined measurable financial & non-financial KPIs for the MD & CEO and senior leadership
7. The Bank has implemented a comprehensive Enterprise Risk Governance framework with 3-Lines of Defence comprising business management, independent functions, and internal audit (for more information refer to the Risk Management section on [→](#) page 68)
8. To foster a 'culture of compliance', the Bank has instituted a Board-approved Risk and Compliance Culture Policy to monitor the Bank's compliance with all regulatory requirements
9. The Bank has a dedicated Compliance Department charged with ensuring compliance with all regulatory requirements. The Chief Compliance Officer reports directly to the Audit Committee of the Board
10. The Bank monitors Compliance Risk as a standalone risk
11. All employees receive regular trainings on regulatory compliances and compliance-related subjects

KPIs:

54%

Directors on the Bank's Board are Independent Directors

~9 years

Average vintage of Top and Senior Management Team

23%

Directors on the Bank's Board are women

Zero incidents

of non-compliance with voluntary codes

23 instances

of penalties/fines totalling ₹ 192,550 levied through regulatory actions during the financial year which include 15 incidents of non-compliance with regulations concerning product and service information and labelling, resulting in a penalty/fine totalling ₹ 155,000 ((For more information, please refer to [→](#) page 336 of the BRSR)

¹GRI 3-3



GOVERNANCE AND COMPLIANCE

KEY POLICIES¹

Code of Business Conduct and Ethics¹: The Board has formulated and adopted Code of Business Conduct and Ethics for the Board of Directors and Senior Management. The Code covers a wide range of business practices and procedures including fair practice, conflicts of interest, disclosures, confidentiality, amongst others. In accordance with the Code, Board members and senior executives must avoid and disclose actual and apparent conflicts of interest. The Bank has received declarations from the directors and senior management for the financial year ended March 31, 2024, confirming adherence to the Code of Business Conduct and Ethics. The declaration signed by the MD & CEO stating that members of Board and Senior Management have affirmed compliance with the Code can be referred to on → page 324. The Code can be accessed here:



https://www.yesbank.in/pdf?name=Code_of_Business_Conduct_Ethics_for_the_Board_of_Directors_and_Senior_Management.pdf

Policy on Code for Corporate Governance: YES BANK's Policy on Code for Corporate Governance codifies the governance practices followed by the Bank, which are in line with provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), The Banking Regulation Act, 1949, RBI Guidelines and other best practices being followed by Indian corporates. The Policy covers all aspects of Board Composition, Role and Responsibilities of the Board, Quorum for the Meeting, Role of the Chairperson of the Board, Managing Director & CEO / Executive Directors ('Whole-time Directors'), Non-Executive Directors and Independent Directors. It also covers Committees of the Board, their Composition and Terms of Reference, Process for Appointment of Directors, Induction of Directors and training & familiarisation programmes, remuneration of Directors, Code of Conduct for Directors including Executive and Non-Executive Directors, Code of Conduct for Independent Directors and Management's Responsibilities.

Board Diversity and Fit & Proper Criteria and Succession Planning: The Bank has a Board-approved 'Policy on Board Diversity and Fit & Proper Criteria and Succession Planning' ('Fit & Proper Policy') which comprises the Bank's approach on diversity of Board Composition, succession planning and the detailed process for appointment of Directors.

Board Remuneration Policy: The Board has adopted a Board Remuneration Policy in line with the requirements under the provisions of Section 197 and Section 198 of the Companies Act, 2013. The Policy is prepared in accordance with the provisions of the Act and rules made thereunder, SEBI LODR Regulations, the Banking Regulation Act, 1949 and circular and guidelines issued thereunder. The Board's Nomination and Remuneration Committee (N&RC) reviews and amends this policy from time to time. The policy can be accessed here:



https://www.yesbank.in/pdf?name=board_kmp_sr_mgmt_remuneration_policy.pdf

Tax Strategy: As a responsible corporate citizen, the Bank is committed to following good corporate practices in tax management and tax transparency, and contribute to India's sustainable development goals by responsibly fulfilling its tax obligations. The Bank has instituted a Board-approved Tax Strategy that aims to incorporate best practices in responsible tax management. The Tax Strategy is reviewed basis regulatory changes and is available on the Bank's website at:



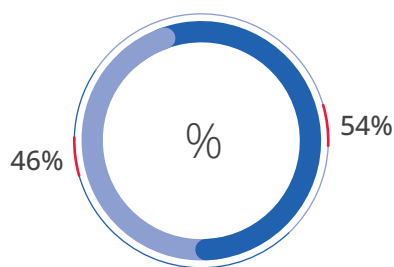
https://www.yesbank.in/pdf?name=yes_bank_tax_strategy.pdf

Risk and Compliance Culture Policy: The Bank has put in place a Risk and Compliance Culture Policy. The primary objective of the policy is to define the Risk & Compliance Culture for the Bank, highlight the way in which Risk and Compliance Culture can be fostered within the Bank and provide the methods and tools to continuously assess the Risk and Compliance Culture. At the Board-level, the implementation of this policy is overseen by the Risk Management Committee and the Audit Committee. At the management level, the Apex Management Committee (AMCOM), Chief Compliance Officer and Chief Risk Officer oversee the implementation of the policy. In line with the policy, the Risk and Compliance Culture is fostered through leadership's commitment, Code of Conduct & accountability, information & communication and through trainings, incentives & rewards. Further, the policy also outlines a roadmap for the Bank to achieve a more robust Risk and Compliance Culture.

¹GRI 2-15, GRI 2-23, GRI 2-24

Board Governance¹

The Board of Directors of the Bank comprise thirteen Directors, seven of whom are independent. As a Board that prioritises diversity, three of the thirteen Directors are women and each of the Directors bring with them diverse expertise spanning a number of fields. There was no change in the composition of the Board of Directors, during FY 2023-24. The Bank ensures efficient and transparent conduct of business through an optimum combination of Executive and Non-Executive Directors (Independent Non-Independent) on its Board. The Board has also constituted 10 Board Committees, each with their own Terms of Reference, which help discharge the Board's duties in an efficient manner. In case of exigency, the Board and its Committees also approve various business proposals and regulatory approvals through circulation. The Bank also conducts trainings for all its Directors, including Non-Executive Directors and Independent Directors on areas such as nature of the Banking Industry, Business Model, Financial Management, Risk Management System and Technology Architecture of the Bank. The Board's composition (including gender diversity) as at March 31, 2024 is presented below:



- Independent Directors
- Non-Independent Directors

Independent Directors



Nominee Directors of State Bank of India



Non-Executive Directors

(Nominee of CA Basque Investments and nominee of Verventa Holdings Limited)



Managing Director & CEO



Executive Director



Number of Board Members



Age (Above 50 years)



Age (30 years to 50 years)



● Male ● Female

¹GRI 2-9, GRI 405-1



GOVERNANCE AND COMPLIANCE

Board-Level Committees¹

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, duties and responsibilities. The recommendations of the committee and/or observations and decisions are placed before the Board for information or approval.

		Board Committees										
BOARD OF DIRECTORS (ED: Executive Director) (NE-ID: Non-executive Independent Director) (NE-D: Non-Executive Director)		CAPACITY	AUDIT	NOMINATION & REMUNERATION	STAKEHOLDER RELATIONSHIP	CUSTOMER SERVICE	RISK MANAGEMENT	CSR & ESG	BOARD CREDIT	IT STRATEGY	FRAUD, WILFUL DEFAULTERS & NON-COOPERATIVE BORROWERS MONITORING	CAPITAL RAISING
Mr. Prashant Kumar		MD & CEO						*		*	#	*
Mr. Rajan Pental		ED			*	*		*		*		
Mr. Rama Subramaniam Gandhi [^]		NE (Ch) ID		*			*			*		#
Mr. Atul Malik		NE-ID		*	*		*		#			
Ms. Rekha Murthy		NE-ID		*	*			#		#		
Mr. Sharad Sharma		NE-ID		*		*	#				*	
Mr. Sandeep Tewari [§]		N-ED		*	*						*	*
Mr. Thekepat Keshav [^]		N-ED			*	*	*		*			
Mr. Sadashiv Srinivas		NE-ID				#	*	*	*			
Ms. Nandita Gurjar		NE-ID				#	*	*				
Mr. Sanjay Kumar Khemani		NE-ID		#						*	*	*
Mr. Sunil Kaul [¶]		N-ED			*	*	*					*
Ms. Shweta Jalan [¶]		N-ED			*			*			*	*
INDEPENDENCE OF THE BOARD COMMITTEES		80%		67%	40%	40%	67%	60%	50%	60%	40%	33%
GENDER DIVERSITY		20%		50%	20%	20%	0%	60%	0%	20%	20%	17%
COMMITTEE MEETINGS HELD IN FY 2023-24		14		3	2	2	5	3	28	5	3	1
IMPACTS REVIEWED		ECONOMIC	ECONOMIC; PEOPLE	ECONOMIC; PEOPLE	ECONOMIC; PEOPLE	ECONOMIC; ENVIRONMENT; PEOPLE	ENVIRONMENT; PEOPLE	ECONOMIC	ECONOMIC; PEOPLE	ECONOMIC	ECONOMIC	ECONOMIC

*Member of the Committee

#Chairperson of the Committee

€Executive Director

[^]Non-Executive Part-time Chairperson, Independent Director

[§]Non-Executive Director (Nominee Director of State Bank of India)

[¶]Non-Executive Director (Nominee of CA Basque Investments)

[¶]Non-Executive Director (Nominee of Verventa Holdings Limited)

¹GRI 2-10

Board Discussions¹

The Bank's Board of Directors, meet regularly to discuss important/critical matters that require to be reviewed/approved as per the applicable statutory provisions. The Bank has an effective post-meeting follow-up procedure and mechanism to track important decisions taken at the Board/Committee meetings and track closures of such decisions. The Bank has put in place an Action Tracker System, to track actionables emanating from Board/Board-level Committee meetings. The Action Taken Report on decisions taken in a meeting are placed at the succeeding meeting(s) of the Board/Board-level Committees. A report on ongoing actionables (Action Taken Report) are placed before the meeting of the Board/Board-level Committees from time to time. The key matters for the Board's discussion during FY 2023-24, included:

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 performance and climate strategy

Minutes of the Board and Committees of the Board

Appointment and remuneration of the Senior Management

Board nomination and selection process¹

The composition of the Board is driven by various requirements of the Bank such as qualification, knowledge, skill and experience of the directors. At the time of appointment/re-appointment, the Bank's Board-level Nomination & Remuneration Committee (N&RC) reviews the qualification, knowledge, skill sets and experience of the directors. Upon its review, if the N&RC finds that the directors meet the requirements of the Bank, it makes further recommendation to the Board for their appointment/re-appointment.

Further, the N&RC on an annual basis, also assesses the various skill sets and experience of the Board members and evaluates the same as against the Bank's requirements based on business and regulatory norms. If the N&RC

forms an opinion that there is a need for induction of a new director with a specific skill or experience to bridge the gap, it makes a recommendation to the Board for induction of a new director. In such cases, the Bank follows the procedure laid down in the policy with regard to Fit and Proper Criteria for induction of a director.

The appointment of the Chairman and Executive Directors are subject to prior approval of the RBI and final approval by the Bank's shareholders.

¹GRI 2-10, GRI 2-12



GOVERNANCE AND COMPLIANCE

Board Remuneration Policy¹

The Board has adopted a Board Remuneration Policy in line with the requirements under the provisions of Section 197 and Section 198 of the Companies Act, 2013. The Policy is prepared in accordance with the provisions of the Act and rules made thereunder, SEBI LODR Regulations, the Banking Regulation Act, 1949 and circular and guidelines issued thereunder. The Board and the Board-level Nomination and Remuneration Committee (N&RC) reviews and amends this policy from time to time.

The objective of the Policy is to put in place a mechanism for determining the remuneration of Directors of the Bank in terms of the statutory and business requirements of the Bank. 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.

The N&RC recommends to the Board the remuneration for the Chairperson, Non-Executive Directors (NEDs), and Executive Directors. NEDs are paid sitting fees within the permissible limit prescribed under the Companies Act, 2013, Listing Regulations and other regulatory guidelines, as amended from time to time. The N&RC recommends changes in sitting fees based on factors such as performance parameters of the Bank, industry benchmarking, etc. which is approved by the Board. The Bank may also pay NEDs a fixed remuneration in

accordance to the RBI circular no. RBI/2021-22/24 DOR. GOV.REC.8/29.67.001/2021-22 dated April 26, 2021.

The remuneration of all Executive Directors are governed by the Bank's Board-approved 'Total Rewards Policy' which includes fixed pay and variable pay, performance bonus and stock-linked incentives, terms and conditions of termination (including payments), malus/clawback clauses as per the Bank's policy, and retirals such as Provident Fund and Gratuity.

The remuneration payable to the Chairperson and Executive Directors is subject to the prior approval of RBI and final approval of the shareholders.

Remuneration is benchmarked for every role against market data provided by Bank's appointed remuneration consultant. A reputed and credible third party organisation has been onboarded as remuneration consultant.

There were no proposals related to change of remuneration of Directors sent to the Board in FY 2023-24. The remuneration for Chairman and Executive Director were approved in FY 2022-23, details of which are available on page 268 of the Bank's Integrated Annual Report for FY 2022-23 which can be accessed here:



https://www.yesbank.in/pdf?name=integrated_annual_report2022_23.pdf

Managing Director and Chief Executive Officer'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, asset quality, 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 71.4x*. The ratio of the percentage increase in the annual total compensation of the MD & CEO to the median percentage increase in annual total compensation for all employees stood at 1.95¹.

**Remuneration includes fixed pay, perquisite value, performance bonus paid and value of stock options granted during the year (this ratio is calculated in accordance to the requirement of GRI 2: General Disclosures Standard 2021 - Disclosure 2-21 and is different from the ratio mentioned in Annexure I to the Directors' Report on → page 254)*

¹GRI 2-19, GRI 2-20, GRI 2-21

Board Performance Evaluation¹

In FY 2023-24, the Board carried out its annual performance evaluation of the Directors. The Board Performance Evaluation exercise was conducted through an Independent External Agency and covered various aspects including the Board's oversight of the management of the organisation's impacts on the economy, environment, and people. The feedback from the performance evaluation was shared with respective Directors, the Board and

Board-Level Committees for further action. The Board of Directors also identified specific action areas with due emphasis and focus on sustainable improvement in governance practices, business strategy and growth, long-term succession planning and talent management.

For more information, refer [→](#) page 248 of the Directors' Report

ESG Governance¹

YES BANK has set up a robust governance structure for strategically integrating Environmental, Social and Governance (ESG) and climate considerations into its business. The Bank's Chief Financial Officer heads the Sustainable Finance unit as the highest ranking executive responsible for the Bank's sustainability strategy, reporting directly to the MD & CEO. The Bank has also constituted a Board-level Corporate Social Responsibility and Environmental, Social & Governance (CSR & ESG) Committee which along with the executive-level Sustainability Council, oversees the Bank's overall sustainable development agenda.

Board-level:

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

Sustainable finance unit:

The Bank has set up a dedicated Sustainable Finance (SF) unit that houses employees with specialised knowledge and experience in sustainability. The SF unit co-develops and implements the Bank's ESG

strategy and works with sustainability SPOCs from business units and control functions across the Bank to integrate ESG and climate considerations into business, measure and manage the Bank's impacts and report the Bank's non-financial performance.

CSR & ESG Committee of the Board:

The Bank's CSR & ESG Committee is the highest governance body that drives the Bank's sustainable development agenda. It reviews and approves the Bank's material topics and key non-financial disclosures. The Committee also oversees the Sustainability Council and reviews the Bank's overall 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

Role of Board Committees

The CSR & ESG Committee, is one of 10 Board-level Committees constituted by the Bank to oversee the management of the organisation's impacts on the economy, environment, and people, including their human rights. Each of the Committees reviews different aspects of the Bank's sustainability performance, approves key policies and oversees the Bank's KPIs against its targets and goals. The Board-level Committees also oversee the work of key executive-level committees, that undertake due diligence, develop strategies, identify and mitigate negative impacts, and implement the Bank's policies related to various aspects of its business. The Bank has also dovetailed domain-specific ESG KPIs related to its economic, environmental, and people-related performance into the goal sheets of relevant executive management, cascading its thrust on sustainable outcomes, across the organisation.

For more information on the Bank's Board-level Committees, impacts reviewed and frequency, please refer to [→](#) page 285. For more information on the Bank's risk governance framework, please refer to [→](#) page 68.

¹GRI 2-9, GRI 2-13, GRI 2-18



GOVERNANCE AND COMPLIANCE

Comprehensive and transparent disclosures

In line with its ethos of good governance, YES BANK continues to be a benchmark institution for financial and non-financial disclosures. The Bank was the first within the Indian banking sector to publish a Sustainability Report in line with GRI Standards and to support and enhance its disclosures in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The Bank has consequently earned a leadership position in prestigious global ESG ratings.

1. Highest S&P Global ESG Score amongst Indian Banks:

In FY 2023-24, the second year in a row, YES BANK achieved the highest S&P Global ESG score amongst Indian banks based on the S&P Global Corporate Sustainability Assessment (CSA) 2023. The Bank's S&P Global ESG score stood at 74 (out of 100) as of February 16, 2024. The Bank's S&P Global CSA Score stood at 73 (out of 100) as of December 1, 2023, reflecting a marked improvement of 5 points over its score of 68 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.

2. Highest rated Indian Bank for climate disclosures:

For the second year in a row, YES BANK was rated 'A-' Leadership Band by CDP for its 2023 Climate Change disclosures, retaining its position as the highest rated Indian Bank for climate disclosures. CDP annually rates global organisations across sectors, based on their climate-related performance. YES BANK earned the 'Leadership Band' (A/ A-) in 9 out of 12 climate-related disclosure categories, including, areas such as climate governance, emissions reporting (Scope 1, 2, and 3), emission reduction initiatives, and effective risk management processes. The ratings are reported to be accessed by more than 18,700 companies and 740+ institutions with assets worth USD 130+ trillion

3. Included in major global climate and ESG indices:

In June 2024, YES BANK was included as a constituent in the FTSE4Good Index Series for the second consecutive year. Further, the Bank features in the MSCI ACWI's ESG Universal Index, MSCI ACWI Low Carbon Leaders Index, ACWI Climate Change Index, among others (as on April 2024)





Culture of compliance

The Bank's Compliance Department is charged with ensuring that the Bank's business activities and operations comply with all regulatory requirements. In order to enhance the independence of the function, the Bank's Chief Compliance Officer reports directly to the Audit Committee of the Board. The Bank also monitors Compliance Risk as a standalone risk which is reviewed and monitored by the Bank's Apex Management Committee.

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
- Disseminating key regulatory updates affecting the Bank's various businesses
- Conducting reviews of new products and processes from a regulatory compliance perspective
- Providing guidance on compliance-related matters
- Conducting compliance reviews
- Delivering training to employees on compliance aspects

Compliance-related trainings

All new employees are taken through a mandatory induction programme which covers training on the Bank's Code of Conduct, Anti-Bribery and Anti-Corruption Policy (ABAC Policy), the Bank's Know Your Customer (KYC) and Anti-Money Laundering (AML) policy, amongst other subjects. The Compliance unit also conducts

refresher training during the year on regulatory requirements pertaining to KYC/AML, Credit, Trade/FEMA and Liability. In addition, in FY 2023-24, the Bank's Chief Compliance Officer (CCO) also conducted a Compliance Awareness Workshop for the top management of the Bank.



GOVERNANCE AND COMPLIANCE

(Tax management¹)

The Bank has a dedicated function charged with regulatory reporting and taxation that reports into the Chief Financial Officer with further oversight from the Board-level Audit Committee. The Bank ensures professional diligence and care in managing risks associated with tax matters based on appropriate research and well-reasoned conclusions in consultation with the tax advisors, experts, counsels and auditors on an ongoing basis. To ensure that the Bank is compliant with all regulatory and applicable norms, the taxation function is subject to periodic audits including tax audits, internal audits and statutory audits, amongst others. The Bank's tax disclosures are audited by the Bank's statutory auditors and published in its annual report.

The Bank is committed and strives towards proactive, professional, constructive and transparent dealings with tax authorities. Any concerns related to taxation, received through the Bank's channels are addressed by the Bank's Regulatory Reporting & Taxation team. Necessary disclosures, whether material or not, emanating from the tax authorities' orders are made in a timely manner in accordance with the rules, and regulations issued by the market regulator.

The Bank complies with all applicable reporting requirements as per Indian tax laws. The annual report of the Bank includes disclosures with regard to provision for taxes in accordance with the applicable accounting norms of India.



¹GRI 207-1, GRI 207-2, GRI 207-3, GRI 207-4

(Supply Chain Governance¹)

YES BANK's large and diverse supplier base of over 13,500+ 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 decentralised procurement model which aims to strike the right balance between cost, agility and governance in its procurement practices.

Supplier base

In FY 2023-24, the Bank transacted with over 7,700+ 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, significant portion of 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.

Governance and risk management

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 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. While the e-sourcing platform has already become an integral part of its sourcing process, the Bank is continually looking to enhance the institutionalisation of the implemented system-based workflows.

As part of the Bank's stated objective and commitment to implementing best practices in corporate governance, the Bank has a Whistle-blower portal – the '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.

Skill development and continuous improvement

During the year, SPU continued to identify cost management initiatives based on spend analytics to optimise cost structures and collaborated with various operational/functional units, to identify opportunities for value engineering and innovative solutions. Given the need for continual improvement and innovation, skill development has been a key focus area within the procurement team. In FY 2023-24, the team collectively clocked more than 139 man-days of learning and development engagements on functional and cognitive skill development. This also includes participation in conferences and seminars for knowledge enhancement.



¹GRI 2-6



Business Ethics

Cognisant of its responsibility of being a public trust institution, YES BANK aims to carry out its business activities with the highest sense of integrity and an uncompromising commitment to moral and ethical values. As they discharge their duties and serve the Bank's spectrum of stakeholders, YES BANKers not only uphold ethical principles such as fairness, transparency and accountability in all their business dealings, but also help promote ethical behaviour throughout the Bank's larger value chain.

The Bank's employees are guided by its rigorous Code of Conduct that defines the Bank's ethical norms including their alignment with applicable laws and regulations. The Bank has also instituted comprehensive policies and implementation mechanisms to prevent instances of bribery, corruption and money laundering both within its business and its value chain. YES BANK is also a signatory of the United Nations Global Compact (UNGC) and reports its Communication on Progress (COP) on the 10 principles annually.

MATERIAL TOPIC

2

Description and Impacts

Business ethics refers to the organisational principles, policies and codes that guide the Bank in carrying out its business with the highest standards of ethics and integrity. It includes the Bank's employee code of conduct, and its norms regarding bribery, corruption, money laundering, and other unethical business practices.

Impacts on Stakeholders

- Bribery, corruption and restrictive/unfair trade practices can impede efficient functioning of economic systems by weakening competition, increasing costs, reducing quality of products & services, and leading to negative customer experience^{NPLS}
- Practices like money laundering help proliferate crime, increase corruption, and play a role in shifting economic power towards anti-social elements^{NPLS}

Impacts on Enterprise Value Creation

- Unethical business practices can have a negative impact on the Bank's reputation and credibility^{NPLR}
- It can impede its ability to raise capital, affect its capacity to attract customers and employees^{NPSC}
- It can also subject the Bank to the risk of fines, penalties and litigation^{NPSR}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to ensure that the Bank follows the highest standards of business ethics:

- The Bank has instituted a Code of Conduct and key policies related to anti-bribery and anti-corruption, anti-money laundering, whistle blower mechanism amongst others to foster and promote ethical and responsible business conduct
- The Bank has put in place appropriate measures with respect to compensation, in order to address misconduct and non-adherence to the Bank's Code of Conduct and all relevant statutory and regulatory stipulations, as applicable
- The Bank's employees are provided mandatory trainings on the Code of Conduct, ABAC Policy, KYC and AML Policy as part of induction training and refresher certifications on a regular basis
- As a signatory to the UN Global Compact, the Bank has instituted an ESG Code of Conduct

for its suppliers, based on the 10 principles of the UNGC and has taken steps to assess and enhance the ESG awareness and preparedness of its supplier base

KPIs:

98.75%

Employees covered under mandatory trainings on the Bank's Codes of Conduct, Anti-Bribery & Anti-Corruption and Anti-Money Laundering Policies

Zero

Public legal cases regarding corruption brought against the organisation or its employees during the reporting period

Zero

Incidents/ violations related to corruption that led to terminations/ non-renewal of contracts with suppliers during the year

KEY POLICIES¹

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,



https://www.yesbank.in/pdf?name=employee_code_of_conduct.pdf



Anti-Bribery and Anti-Corruption (ABAC) 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 Policy is approved by the Board with oversight by the Audit Committee of the Board¹. A summary of the policy can be accessed at:



https://www.yesbank.in/pdf?name=ybl_abac_policy.pdf



Know Your Customer (KYC) and Anti-Money Laundering (KYC & AML) Policy:

The Board-approved KYC and 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.

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 Policy is approved by the Board with oversight by the Audit Committee of the Board. The details of the Whistle Blower Policy are available here:



https://www.yesbank.in/pdf?name=ybl_whistleblower_policy_v4.5.pdf



¹GRI 2-23, GRI 2-24, GRI 205-2, GRI 3-3



BUSINESS ETHICS

KEY POLICIES¹

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

Code of Conduct for Prohibition of Insider Trading: The Bank has formulated a Code of Conduct for Prohibition of Insider Trading, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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.

Human Rights Policy: 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

The Bank's Code of Conduct

The Bank has adopted a Bank-wide Employee Code of Conduct which outlines ethical guidelines, within which all YES BANKers are expected to operate in their dealings with other employees and all other stakeholders. The Bank's Code has been formulated in line with applicable regulatory requirements and industry best practices and covers various aspects of the Bank's business. The Code of Conduct is applicable to all executives of YES BANK.

The Code is reviewed by the Board-Level Committees on a periodic basis and any changes or amendments to the Code are informed to all executives by the Human Capital Management (HCM) unit. Familiarisation with the Bank's Code is included in the mandatory induction training for all new employees. In addition, the HCM unit conducts mandatory certification training for all employees on the

Bank's Code. All employees provide an annual declaration through the Bank's internal IT system, affirming their understanding and adherence to the Code.

The Bank has also developed and implemented a vigil mechanism, through its Whistle Blower Policy, which provides for a Corporate Whistle Blower Initiative (CWI Portal) through which employees and other stakeholders can report any violations of the Bank's Code by its employees. The Audit Committee of the Board oversees the Bank's vigil mechanism. Employees who violate the Code of Conduct may be subject to disciplinary action, including possible dismissal.

The Bank's MD & CEO and the Chief Financial Officer furnish an annual certification on the adherence of the Bank's Code of Conduct.

¹GRI 2-23

Key aspects covered under the Bank's Code of Conduct

Avoiding conflict of interest

Avoiding gifts/benefits

Whistle Blower mechanism to report violations

Avoiding false information

Participating in audits or investigations

Importance of confidentiality and non-disclosure of information

Product appropriateness & suitability

Avoiding insider trading

Avoiding negligence in discharge of duties

Complying with all laws and regulations

Practices for fair dealing with stakeholders

Norms for anti-money laundering

Avoiding harassment including sexual harassment

Avoiding insubordination and disorderly behaviour

Acts of misconduct that may invite disciplinary action

Avoiding of bribery or illegal gratification

Guidelines on operating staff accounts

Avoiding bias towards any caste, creed, race, religion, ethnicity and gender





BUSINESS ETHICS

Anti-Bribery and Anti-Corruption

YES BANK follows a zero-tolerance approach towards bribery and corruption. The Bank has instituted a Board-approved Anti-Bribery and Anti-Corruption Policy (ABAC Policy), which reflects the Bank's and its management's commitment to maintaining the highest ethical standards, while conducting its business in an open, fair and accountable manner, in line with best practices in corporate governance. The ABAC Policy has been developed in alignment with the Bank's Code of Conduct, various policies, rules, and regulations adopted by the Bank in conformance with the legal and statutory framework of anti-bribery and anti-corruption legislation prevalent in India. The ABAC Policy applies to the Bank, all its employees (fulltime or contractual employees, including trainees and interns), directors, agents, associates, vendors, consultants, advisors, representatives, intermediaries, all stakeholders, or any person associated with the Bank and who may be

acting on behalf of the Bank. The objective of the Policy is to ensure neither of the parties covered, indulge in any acts of bribery and corruption in discharging their official duties towards the Bank, either in their own name or in the name of the Bank.

All employees of the Bank are provided a mandatory training on the Bank's ABAC policy as part of the induction training¹. 100% of the Bank's operations have been assessed for risks related to corruption. The Bank assesses risk of fraud, customer complaints, risk of unauthorised access to systems, amongst a number of risks related to corruption.

During the reporting period, four confirmed incidents of corruption were identified by the Bank in which staff-side action was initiated against seven employees¹.

Key aspects covered under the Bank's ABAC Policy

- Offering, demanding or accepting of any form of bribe, kickbacks or other improper benefits
- Facilitation payments
- Political contributions
- Reporting of conflict of interest
- Abuse of entrusted power
- Dishonest or fraudulent misappropriation of official property
- Self-dealing, dealings with relatives and friends
- Reporting of violations through YES Vigil
- Kickbacks
- Charitable contributions and sponsorships

Anti-money Laundering

Money-laundering poses a severe risk to the stability of the global economic system. As a responsible financial institution, the Bank ensures that its business activities stay protected and resistant from any form of money-laundering. The Bank has instituted a Board-approved, Know Your Customer and Anti-Money Laundering (KYC & AML) Policy, which provides a broad framework for adherence to national and local regulatory requirements related to knowing your customer, anti-money laundering practices and directives for combating the financing of terrorism.

The KYC Policy and AML Policy and procedural requirements are subjected to an independent review by the Audit function and also forms a part of periodic reporting to the top management of the Bank. The Audit Committee of the Board has oversight of the implementation of the Bank's KYC and AML Policy. In a first for the banking sector, YES BANK's Anti-Money Laundering (AML) Unit achieved the ISO 9001 certification in FY 2023-24.

¹GRI 2-23, GRI 205-1, GRI 205-2, GRI 205-3

Key aspects covered under the Bank's KYC & AML Policy

Customer Due Diligence (CDD)

Norms for collection of KYC documents, verification of the documents 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 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

Name screening against negative list

Conducting necessary name screening against the regulator prescribed negative lists before opening client accounts 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

Transaction monitoring

Comprehensive transaction monitoring processes to ensure that client transactions are consistent with the customers' business, risk profile and the source of funds, and regulatory reporting to the FIU-Ind as prescribed under the regulations

Due-diligence of Politically Exposed Person(s) (PEPs)

Conducting enhanced due diligence for Politically Exposed Person (PEP) clients and obtaining senior management's approvals for opening an account. Such accounts are subjected to enhanced monitoring on an ongoing basis

Maintaining records

Maintaining records of client identification data/information for a period of 5 years from the closure of client relationship, and transaction records for a period of 5 years from the date of transaction

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 and 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. There were no incidents/violations related to corruption that led to terminations/non-renewal of contracts during the year¹.

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 2023-24, the Bank's ESG awareness initiatives covered over 175+ vendors, representing nearly 60% of the Bank's procurement-led spends.

¹GRI 2-23, GRI 205-3



Data Security & Privacy

Advancements in digital financial technologies over the last decade have not only helped expand the reach of financial services but also significantly altered the way in which consumers interact with banking services. With majority of banking services now being delivered online and through digital channels, securing the integrity of its IT systems, preventing information and cybersecurity incidents, safeguarding sensitive financial data, and ensuring heightened customer privacy are key priority areas at YES BANK.

Taking a holistic approach, the Bank has adopted an ISO 27001:2013 certified information security management system and a robust governance framework with executive and Board-level oversight over its IT risk management procedures. The Bank also organises regular training and awareness programmes for employees, consultants, vendors, customers, and other stakeholders on global cyber security.

MATERIAL TOPIC

3

Description and Impacts

Ensuring data security and privacy refers to the Bank's commitment to safeguard privacy and confidentiality of the customer's personal information against the cybersecurity threats through secure technologies and enhanced identity protection.

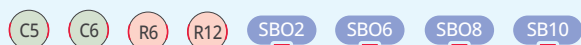
Impacts on Stakeholders

- Data security events/incidents can lead to risk of disruption of critical essential services^{NPLS}
- Poor data security and privacy protection can lead to loss of customer's personal information leading to the risk of identity theft/fraud/illegal activities^{NPS}
- Data security events/incidents can cause customers and the general public to lose confidence in digital channels/banking system as a whole^{NPLS}
- Robust systems for data security and customer privacy encourage the use of digital channels, enhance financial inclusion and contribute to the goals of Digital India^{PALS}

Impacts on Enterprise Value Creation

- Robust systems for data privacy and security help the Bank build a reputation of reliability and integrity, and strengthen customer retention^{PALR}
- Leak of sensitive internal data or customer information leads to operational and reputational risk and may result in the disruption of the Bank's services^{NPLR}
- Failure to follow applicable data privacy laws and lack of robust data privacy systems may lead to fines, lawsuits, and loss in customer base^{NPSR}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to achieve excellence in information security and data privacy:

- The Bank has a well-defined governance structure for information security and data protection, with Board-level oversight from the Risk Management Committee and the IT Strategy Committee and management-level oversight from the Security Council and the Fraud & Suspicious Transaction Monitoring Committee
- The Bank has instituted Board-approved policies for Data Handling, Information Security and Cyber Security
- The Bank has implemented an ISO 27001:2013 certified information security management system
- The Bank regularly conducts trainings, awareness campaigns and simulated drills for employees, vendors, customers, and other stakeholders on global cyber security threats, and issues guidance on using digital platforms in a safe and secure manner

KPIs:

Zero

Number of instances of data breaches, identified leaks, thefts, or losses of customer data

Zero

Impact of the data breaches

KEY POLICIES¹

Data Security & Privacy

Privacy Policy: The Bank's Privacy Policy outlines the nature of customer information captured, and how it is used, retained, and processed by the Bank. The policy can be accessed at:



<https://www.yesbank.in/privacy-policy>

Data Handling Policy*: The Bank has adopted a Board-approved Data Handling Policy.

Information Security Policy*: The Bank has adopted a Board-approved Information Security Policy.

Cyber Security Policy*: The Bank has adopted a Board-approved Cyber Security Policy.

*The Bank's Data Handling Policy, Information Security Policy and Cyber Security Policy are confidential and can be accessed by employees on the Bank's intranet

¹GRI 2-23, GRI 2-24, GRI 3-3



DATA SECURITY & PRIVACY

Information Security - Governance

With the proliferation of digital banking services and the increasing sophistication of cyber threats, the Bank's preparedness to safeguard its data and information systems is a strategic area for review and monitoring. 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 a quarterly basis to review security implementation across the Bank and provide guidance to the information security function. Information Security Risk is monitored and reviewed as a standalone risk by the Security Council on an overall basis, and which is also further reviewed by the Fraud & Suspicious Transaction Monitoring Committee. The Bank's Internal Audit Department (IAD), which is ISO 9001:2015 certified (Quality Management System), provides an independent and objective assurance of the Bank's Information Security system. To read more about the Bank's risk, management

and mitigation approach for Information Security Risk, please refer to the Risk Management section on [→](#) page 68 of this Integrated Annual Report.

The Board-level Risk Management Committee monitors information and 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 constituted a Board-level IT Strategy Committee, chaired by a Director with 30 years of specialised knowledge in information technology. The IT Strategy Committee approves and oversees the implementation of the Bank's Cyber Security Policy and the Bank's Cyber Crisis Management Plan. The Bank has also adopted a robust information security management system certified as per the requirements of the global information security standard ISO 27001:2013 and the Payment Card Industry Data Security Standard (PCI DSS). The implementation of the Bank's Information Security Policies is independently audited by an external third-party auditor for its adherence to the ISO 27001:2013 Information Security Management System.

Training and awareness building

Defending the Bank's information systems is a responsibility of every YES BANKER and the Bank strategically invests in employee training and awareness programmes to enhance cybersecurity posture and ensure staff adherence to security protocols. 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. Going beyond its employees, the Bank also rolls out regular awareness campaigns to build awareness about cyber security amongst its consultants, vendors, customers, and other stakeholders, educating them about emerging cyber security threats, and how to safely and securely use the Bank's digital platforms.

Key trainings conducted in FY 2023-24

Application Programming Interface (API) Security training

Payment Card Industry Data Security Standard training

Infrastructure training

Risk Annual Meet training

Data Flow Diagram training

Cloud Security training

Secure Coding Practices

General Data Protection Regulation (GDPR) training



Robust information security management system

By prioritising data protection and information security, the Bank aims to foster customer confidence, maintain regulatory compliance, and mitigate financial and reputational risks associated with data breaches or cyberattacks.

The Bank's ISO 27001:2013 information security management system is geared to safeguard its systems, networks, and applications from cyber threats, including malware, phishing attacks, and insider threats. To mitigate risks and protect the Bank's IT assets against potential breaches, the Bank employs various security controls such as firewalls, intrusion detection systems, multi-factor authentication, and regular security audits. The Bank also complies with all required regulations, including the RBI's guidelines on cybersecurity and data protection, which mandate the implementation of robust data security frameworks and encryption standards. Committing to achieve the highest benchmarks of Information Security, the Bank also conducts third party vulnerability analysis of its Information Security Management System. In FY 2023-24, the Bank received 24 complaints concerning breaches of customer privacy from outside parties and 3 complaints from regulatory bodies. All complaints except 2 were resolved as at March 31, 2024 and the same will be resolved within stipulated timelines¹.

YES BANK has adopted a risk-based approach and follows a "defence-in-depth" security architecture to protect its information systems against cyber-attacks. To manage cyber security risk, the Bank has adopted a Cyber Security Resilient framework based on four key 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.

Continuous monitoring, incident response plans, and collaboration with industry stakeholders further bolsters the Bank's resilience against evolving threats. The Bank has completed Digital Forensics Readiness Assessment to ensure that all relevant logs are captured, in case of any forensics investigation, and has also completed Cloud Security Assessment which would assist in building a framework for Cloud security.

Privacy

YES BANK recognises the importance of safeguarding its customers' personal and financial information. In today's digital age, data privacy is not just a regulatory requirement but a cornerstone of the Bank's commitment to trust and security. The Bank's policies related to data security & privacy are based principles of transparency, security, control, and compliance. To adhere to these principles, the Bank follows practices like data encryption, regular audits, employee training, third-party management, amongst others. The Bank is committed to maintaining the confidentiality, integrity, and security of its customers' personal information, ensuring they can bank with confidence.

¹GRI 418-1



Digital Innovation

YES BANK stands at the forefront of the digital revolution, steadily advancing innovation and leveraging technological developments to enhance the banking experience for its customers. The Bank has strategically invested in digital transformation initiatives, while maintaining the highest standards of regulatory compliance and information security in all its propositions. Leveraging its robust technological infrastructure, the Bank has consistently gained higher market share in new-age digital payment platforms, including NACH, IMPS, NEFT, AePS and UPI. In FY 2023-24, YES BANK became one of the first Indian banks to integrate Unified Payments Interface (UPI) with the Reserve Bank of India's (RBI) Central Bank Digital Currency (CBDC) application.

In order to ensure safety, suitability and quality of its digital products and services, the Bank has instituted a robust governance structure with oversight from the Board-level Customer Service and IT Strategy committees. Along with its comprehensive data protection framework, the Bank regularly provides customers with guidance on safe and secure usage of its digital platforms.

MATERIAL TOPIC

4

Description and Impacts

Advancing digital innovation refers to 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. This transformation encompasses initiatives to elevate customer experience, improve data driven decision-making and enhance partnerships with stakeholders within the digital ecosystem.

Impacts on Stakeholders

- Digitising paper-based processes not only reduces the use of paper and waste but also enhances staff productivity and customer delight^{PASE}
- The use of digital channels enable customers to access banking services at the convenience of their home and at a click of a button^{PASS}
- Through platforms such as YES Money, the Bank supports digital services such as DMT/AePS and MATM, that deepen the reach and access of financial services amongst unbanked, hard to reach, and vulnerable communities^{PASS}

Impacts on Enterprise Value Creation

- Efficient digital banking solutions enhance customer satisfaction, loyalty and retention^{PASC}
- Continued investments in technology and digital infrastructure would continue to strengthen the Bank's market share in digital payments^{PALR}

Linkages



P-Positive/ N-Negative | P-Potential/ A-Actual | L-Long/ S-Short | E-Environment/ S-Social/ C-Cost/ R-Revenue/ R-Risk

MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to advance digital innovation:

- The Bank has well-defined policies and frameworks for its digital products & services, with oversight from two Board-level committees
- The Bank has enabled omni-channel customer engagement, seamless payment solutions & assisted digital model for mass-market products through its Digital Product Suite and continues to advance its new-age digital product offerings
- Leveraging its leadership in API banking, the Bank has developed key partnerships within the digital ecosystem to foster innovation and strengthen its connected banking propositions
- To be at the forefront of digital innovation, the Bank actively engages on various Central Government's initiatives on Digital Public Infrastructure to refine its client offerings and contribute to the growth of the Digital franchise

KPIs:

#1

in UPI Payments with 34.5% market share with ~99.8% Success Rate

#1

in AePS, Powering 29.3% of all AePS transactions

#2

in NEFT with ~98.7% Success Rate & 8.6% market share

~90%

eligible CA accounts sourced digitally

KEY POLICIES¹

Bank as a Payment Aggregator – Merchant Onboarding Policy*

The Bank has instituted a Bank as a Payment Aggregator – Merchant Onboarding Policy, in line with RBI guidelines, that delineates the processes and controls through which the Bank provides aggregation (collection) services for a variety of merchants it enrolls under the Bank as a Payment Aggregator (PA) Framework. The policy is approved by the Board with oversight by the Board-level IT Strategy Committee and Customer Service Committee and executive-level oversight by the Standing Committee on Customer Service.

Policy on Issuance and Operations of Domestic Prepaid Instruments*

The Bank has a Board-approved policy on Issuance and Operations of Domestic Prepaid Instruments which outlines the Bank's protocols pertaining to prepaid instruments issued by the Bank either via digital, physical modes and through affiliations with payment networks. The implementation of the policy is overseen by the Board-level IT Strategy Committee and Customer Service Committee with executive-level oversight by the Standing Committee on Customer Service.

**The Bank's, Bank as a Payment Aggregator – Merchant Onboarding Policy and Policy on Issuance and Operations of Domestic Prepaid Instruments are confidential and can be accessed by employees on its intranet*

¹GRI 2-23, GRI 2-24, GRI 3-3



DIGITAL INNOVATION

Comprehensive suite of Digital Solutions

Driven by rapid advancements in technology, digitalisation is becoming a key differentiator for customer retention and service delivery in the banking sector. The Bank continues to develop and enhance customer digital journeys across sales, service and operations through its comprehensive suite of digital products.

Key aspects of YES BANK's Digital Banking approach

DIGITALISATION

The Bank has revamped digital journeys across its product categories and created an omni-channel experience for its customers by launching services such as Core Banking on-the-cloud, advanced mobile banking with emerging super app functionalities and Application Programming Interface (API) Banking

OPERATIONS & ANALYTICS

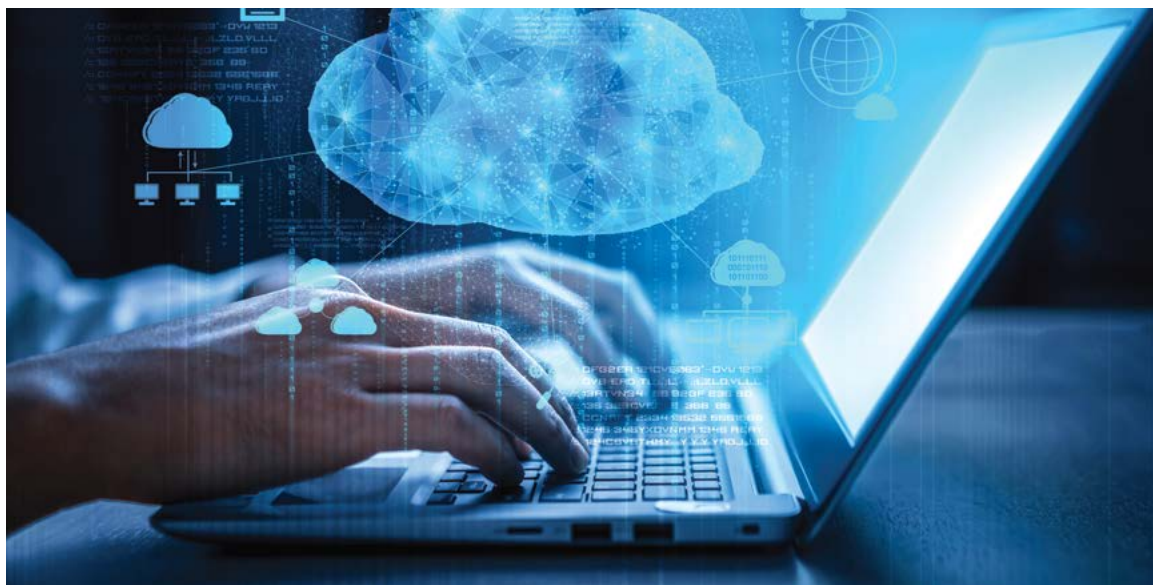
In its pursuit to provide fit-for-purpose solutions to its customers, the Bank has developed machine-learning led scorecards and customer propensity models to enable data-driven decision-making. The Bank has also adopted Zero-Ops, enabled Robotic Process Automation (RPA) and data centre migration to optimise its operations

FIN-TECH ECOSYSTEM

The Bank has built a robust technological and operational architecture for plug-and-play fintech partner integration and a strong platform architecture for seamless payment solutions to government, corporate, start-ups and SMEs

SECURITY

To maintain the highest standards of data protection and information security, the Bank has instituted Tier-4 Co-Location-based Data Centres, enabled technologies such as blockchain and state-of-the-art cybersecurity with multi-factor authentication & encryption along with anti-spam and anti-spoofing solutions



Fostering a digitally proficient ecosystem

Building digital market leadership and becoming a relationship banker to the new-age economy is one of the core pillars of YES BANK's vision. The Bank has enhanced its digital lending capabilities and contributed to the expansion of digital public infrastructure to refine its client offerings and contribute to the growth of the Digital franchise.

YES Pay
Next

iris
by YES BANK

YES BANK
e₹

Alongside building in-house competencies & capabilities, the Bank has identified partners to complement its solutions and scale its reach. YES BANK's "YES Fintech Developer", launched five years ago, has become India's largest Banking API Sandbox Platform with more than 400+ virtual APIs. This platform has enabled the Bank to co-create innovations with FinTech organisations, start-ups and developers to enhance customer experience. Leveraging its digital expertise, the Bank has

also integrated India's Digital Public Infrastructure (DPI) Tech-Stack in its offerings to customers, and actively engages on various Central Government's initiatives such as Open Network for Digital Commerce (ONDC), Open Credit Enablement Network (OCEN), Account Aggregator (AA) and Central Bank Digital Currency (CBDC). In FY 2023-24, the Bank also onboarded Paytm as Third-Party Application Provider (TPAP) to provide payment, collection and settlement services to its customers.

Some of the Bank's key partnership areas in the digital ecosystem include

FinTech

Enabling Digital Payment rails within third-party payment service providers such as PhonePe, BharatPe, AmazonPay, GPay, Zomato, Swiggy and Cred

Payment Switches and Platforms for online & offline payments

Enabling payment switching and processing capabilities for the digital ecosystem by utilising APIs and Tech-Stack

BigTech/LendingTech/WealthTech and InsureTech

Providing easy KYC processing and payment/collection systems by enabling APIs for end customers

BankingTech

Leveraging India's Digital Public Infrastructure (DPI) Tech-Stack to support compliant banking services by organisations

OpenBanking/Aggregation

Empowering FinTech partners with compliant banking & payment/collection services for their customers

PayTech

Facilitating the integration of APIs within the Tech-Stacks of organisations

Contactless and Wearables

Facilitating contactless payment transactions within the digital ecosystem by integrating APIs with National Payments Corporation of India (NPCI) and associated ecosystem partners



DIGITAL INNOVATION

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.

Unified Payment Interface (UPI)

Transactions witnessed Y-O-Y growth of 31% in terms of volume and 22% in terms of value. The Bank processed overall 4,317 crore transactions with value of ₹ 6,970,215 crore.

Money Send Visa Direct (MSVD)

Transactions witnessed Y-O-Y growth of 98% in terms of volume and 137% in terms of value. The Bank processed overall 4.06 crore transactions with value of ₹ 49,670.84 crore, capturing a market share of ~30% in the ecosystem for FY 2023-24.

Prepaid and Gift Cards

Transactions witnessed Y-O-Y growth of 7.51% in terms of volume and 54.71% in terms of value. The Bank processed overall 2.92 crore of transactions with value of ₹ 3,247.74 crore, capturing ~2% market share in the ecosystem for FY 2023-24.

Aadhaar-Enabled Payment Scheme (AePS)

Transactions witnessed a Y-O-Y growth of 34.33% in transaction volume and 30.36% in transaction value by processing a total transaction value of ₹ 85,118 crore. Overall, the Bank processed 33.9 crore transactions through AePS with a market share of ~29.32%.

Internet Payment Gateway (IPG)

Transactions witnessed Y-O-Y growth of 67.49% in terms of value. The Bank processed overall 1.87 crore transactions with value of ₹ 21,897.7 crore for FY 2023-24, increasing its market share from 2.26% to 3.03%.

MCTC (Travel Cards)

Transactions witnessed Y-O-Y growth of 25% in terms of load value. The year exit load value stood at USD 151.74 million (approximately ₹ 1,260 crore) for FY 2023-24.

MCTC (Travel Cards)

Transactions witnessed Y-O-Y growth of 35% in terms of spends value. The year exit spends value stood at USD 131.08 million (approximately ₹ 1,088 crore) for FY 2023-24.

Micro ATM (MATM)

Witnessed a Y-O-Y growth of 25.01% in transaction volume by processing 4.30 crore transactions with value of ₹ 11,305 crore in FY 2023-24



Digital Channels

The Bank continues to be a market leader in the digital payments space and has been steadily working on increasing its market share.

YES ROBOT

The Bank's comprehensive, secure, AI-enabled Personal Banking Assistant for customers, offering its services on the Bank's website and WhatsApp.

In FY 2023-24, YES ROBOT became the only Digital Channel to provide enrolment to three Government Schemes digitally (Atal Pension Yojana (APY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY))

YES MSME

YES MSME

The Bank's Transaction Banking Mobile application for SME/MSME Customers to help them manage their business processes & finances.

WhatsApp Banking

The Bank's Digital Channel for banking on-the-go for YES BANK Customers.

In FY 2023-24, the Bank introduced industry-first feature of enabling utility bill payment and a Nominee Management module on WhatsApp Banking.



IRIS by YES BANK

The Bank's mobile banking application, allows users to bank anytime, anywhere with 200+ services available in a simple, convenient, and secure manner. Iris is a Direct-to-Consumer mobile platform for customer lifecycle management.

In FY 2023-24, the Bank introduced a new functionality, allowing submission of Positive Pay request for cheques on IRIS application (along with other digital channels including YES ONLINE and YES ROBOT)

YES Pay

YES PAY

The Bank's mobile payments application for wallet-linked Virtual Card, UPI and Bharat QR payment instruments.

YES Pay Lite

YES PAY Hub & Lite

The Bank's Mobile Platform for SME/MSME Customers who wish to digitise their collections' business on-the-go.

YES Pay Next

YES PAY NEXT

The Bank's Digital Payments application for all citizens.

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.

In FY 2023-24, the Bank integrated insurance module 'Buy-Now' journeys for 16 insurance products and activated Sovereign Gold Bond (SGB) Tranche-IV purchase on YES ONLINE. The Bank also introduced EMI-conversion of Credit Card transactions and Bharat Bill Payment System (BBPS) for loan EMIs on the platform. Along with adding additional functionalities, the Bank also enabled custom duty payment & direct tax payment with NEFT/RTGS mode on YES ONLINE.



YES BANK Digital Rupee

YES BANK Digital Rupee

The Bank's Central Bank Digital Currency (CBDC) mobile application.



Customer Relations

Delivering superior customer experience with ownership and empathy continues to be a central tenet at YES BANK. The Bank recognises the strategic role that customers play in its value creation model, and has hence adopted a comprehensive, three-pronged strategy towards strengthening its customer relations. The Bank has invested in state-of-the-art digital technologies that enable it to bring to market, innovative solutions that enhance customer delight.

Through an emphasis on product-suitability and customer education, the Bank ensures that customers are treated with utmost responsibility and fairness, and that the Bank's products lead to customer satisfaction. As one of its most critical stakeholder groups, the Bank values the views and feedback of its customers and has set up a dedicated Service Excellence (SE) unit that captures the Voice of the Customer (VOC) and Customer Scoring through transaction and engagement feedback. The SE unit also implements the Bank's comprehensive, 3-Level Grievance Redressal Mechanism with oversight from the Bank's executive-level Standing Committee on Customer Service and the Customer Service Committee of the Board.

MATERIAL TOPIC

5

Description and Impacts

Good customer relations refers to the Bank's efforts towards building long-term relationships with its customers through its differentiated offerings & solutions, high quality customer service, prompt grievance redressal, customer education, responsible selling practices including accurate product information.

Impacts on Stakeholders

- Increases customer satisfaction and delight^{PAS}
- Encourages responsible selling practices across ecosystems^{PPLS}
- Enhances financial literacy, facilitates the uptake of credit, and increases access to financial services^{PALS}
- Increased promoter scores amongst customers improves the Bank's brand advocacy^{PASR}
- A satisfied customer base increases the Bank's opportunities for upselling and cross-selling^{PASR}
- Poor customer relations could lead to customer attrition and a damage to the Bank's reputation^{NPSC}

Impacts on Enterprise Value Creation

- Customer satisfaction leads to enhanced customer loyalty and retention^{PASC}
- Unethical selling/wrong product information exposes the Bank to the risk of fines, penalties, trading restrictions and other regulatory actions^{NPLR}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to enhance customer service, experience and delight:

- The Bank has set up a comprehensive governance structure for overseeing its performance on customer service with oversight by the executive-level Standing Committee on Customer Service and the Customer Service Committee of the Board
- The Bank has instituted robust policies on collection of dues and repossession of security, and customer grievance redressal
- Through its Code of Conduct and other policies, the Bank promotes responsible selling practices. All of the Bank's collection and repo agencies and their executives must undergo mandatory trainings on the CoC
- YES BANK continues to invest in technologies such as AI in enhancing customer service through offerings like YES Robot and YES Genie
- Valuing the views and feedback of its customers, the Bank captures the Voice of the Customer (VOC) and Customer Scoring through transaction and engagement feedback. The Bank has measured customer satisfaction across touchpoints through the VOC survey and institutionalised Net Promoter Score (NPS) as a key metric to drive superior service experience, customer loyalty and advocacy, across its various channels
- Performance on customer service is also integrated into employee performance appraisal, which in turn is linked with employee remuneration. Relevant employees are provided regular training on customer service
- The Bank has instituted 3-Level Grievance Redressal Mechanism whereby customers can register their grievance by visiting the Bank's Branch, calling its call centre or writing to YES Touch for any query/request/complaint

KPIs:

70

Net Promoter Score for FY 2023-24 (an improvement from last year's NPS of 68)

11%

Reduction in customer complaints as compared to previous year

KEY POLICIES¹

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_repossession.pdf



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 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



¹GRI 2-23, GRI 2-24, GRI 3-3



CUSTOMER RELATIONS

Enhancing customer experience through technology

YES BANK aims to enhance customer journeys across its channels to provide simple, seamless and convenient solutions to its customers. As a technology-driven enterprise, the Bank continues to invest and use new-age, digital technologies as an enabler of customer delight. Over the years, the Bank has tracked the evolution of Artificial Intelligence (AI) from its nascency to its emergence as a credible strategic tool for addressing business problems. The Bank recognises the power of AI in driving value across its business, in areas of cost optimisation, revenue generation, and especially in enhancing customer service.

YES ROBOT

Leveraging the power of AI to augment its customer service, YES BANK has engineered a flagship AI-powered chatbot, YES ROBOT, a comprehensive, secure, 24*7 Personal Banking Assistant for its customers. Currently available on the Bank's website and on WhatsApp, YES ROBOT has helped the Bank enhance its customer service by reducing the time-of-first response to just a few seconds. The Bank recently introduced additional functionalities on the chatbot for better customer servicing:





Voice feature

The Bank recently launched a voice based conversational service feature on YES ROBOT wherein customers can now interact with the chatbot via voice instructions to place their queries and receive responses, providing hands-free experience to the customers for their queries and requests. The feature has not only helped customers easily access the Bank's services but also enabled Branch staff to address customer queries more efficiently. The Bank is also exploring the use of Generative AI and multilingual assistance to offer superior service experience to its customers, in the future

Enrolling in government schemes

The Bank has introduced three government schemes, Atal Pension Yojana (APY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) on YES ROBOT, making it the Bank's first digital channel through which customers could enrol in these schemes, digitally. Till date, the Bank has enrolled ~1,200 customers under these schemes through YES ROBOT

Utility Bill Payment on WhatsApp Banking

YES BANK's WhatsApp Banking became the first platform in the banking industry to enable customers to pay their utility bills (Electricity, Gas, Mobile Postpaid, etc.), through WhatsApp. As part of the service, customers can view their due bills and pay them in a few clicks

Voice Bot for Customer Service

The Bank is in the process of introducing its Voice Bot which will assist customers to interact with its Interactive Voice Response (IVR), by simply speaking in their natural dialect. Powered by AI and Natural Language Processing (NLP), the Voice Bot can understand spoken questions and requests and is capable of structuring a fitting audio response. Voice BOT implementation will further help the Bank reduce wait times for customers at contact centres and help resolve queries, through quick and customised solutions



CUSTOMER RELATIONS



Responsible selling practices

YES BANK is committed to follow safe, ethical and responsible selling practices that focus on safeguarding the interests of its customers and ensuring that customers are well-informed about the Bank's products, terms and conditions, interest rates, service charges and practices for safe usage. The Bank has adopted a Bank-wide Employee Code of Conduct which outlines ethical guidelines within which all YES BANKers are expected to operate in their dealings with customers and other stakeholders. Product appropriateness and suitability are crucial requirements of the Bank's Code, whereby executives are restricted from mis-selling or withholding information about the Bank's products and are responsible to ensure that product recommendations are based on the customer's needs, financial understanding, and capacity for risk acceptance. Violation of the Bank's product appropriateness and suitability requirements are considered acts of misconduct and may invite disciplinary actions. The Bank's Board-level Customer Service Committee provides oversight over its product

approval process with a view on suitability and appropriateness and also reviews the appropriateness of products to different customer segments. The Bank has also 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 or repossession of a security. Performance on customer service is also integrated into employee performance appraisal, which in turn is linked with employee remuneration. In order to adhere to the best practices in advertising, the Bank voluntarily complies with the Advertising Standards Council of India (ASCI) Code for self-regulation of advertising content in India. The Bank does not have any non-compliance with regulations and/or voluntary codes, concerning product and service information and labelling, and marketing communications, including advertising, promotion, and sponsorship for FY 2023-24¹.

¹GRI 417-3

The Bank undertakes a number of initiatives to promote safe and responsible usage of its product and services:

To ensure supervision of all its collection and repo agencies and the executives associated with them, the Bank mandates compliance with the following requirements:

- Signed declaration by executives as having read and understood the Code of Conduct (COC) while generating digital ID card¹
- Undergoing a mandatory 100-hour training and certification by the Indian Institute of Banking and Finance (IIBF) covering basic principles of banking, recent trends in retail and e-Banking, communication skills, interpersonal skills, code of ethics laid down by RBI, amongst others
- Updating the executives on recent circulars issued by RBI to be followed during customer interactions
- Regular reiteration on COC, repossession COC, advisory on agency and customer visit, agency penalty, guidelines on customer interaction during collection follow-up and attempt intensity per account
- Evaluation of agency's performance through vendor performance report by the collections manager on a monthly basis

Other initiatives:

- 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
- It also runs 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
- Customers are provided 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 mechanisms available for customers
- Rural customers are informed about responsible practices in loan usage and repayment and provided a 'Missed Call Facility' to register their grievances at no extra cost



¹GRI 2-23



CUSTOMER RELATIONS

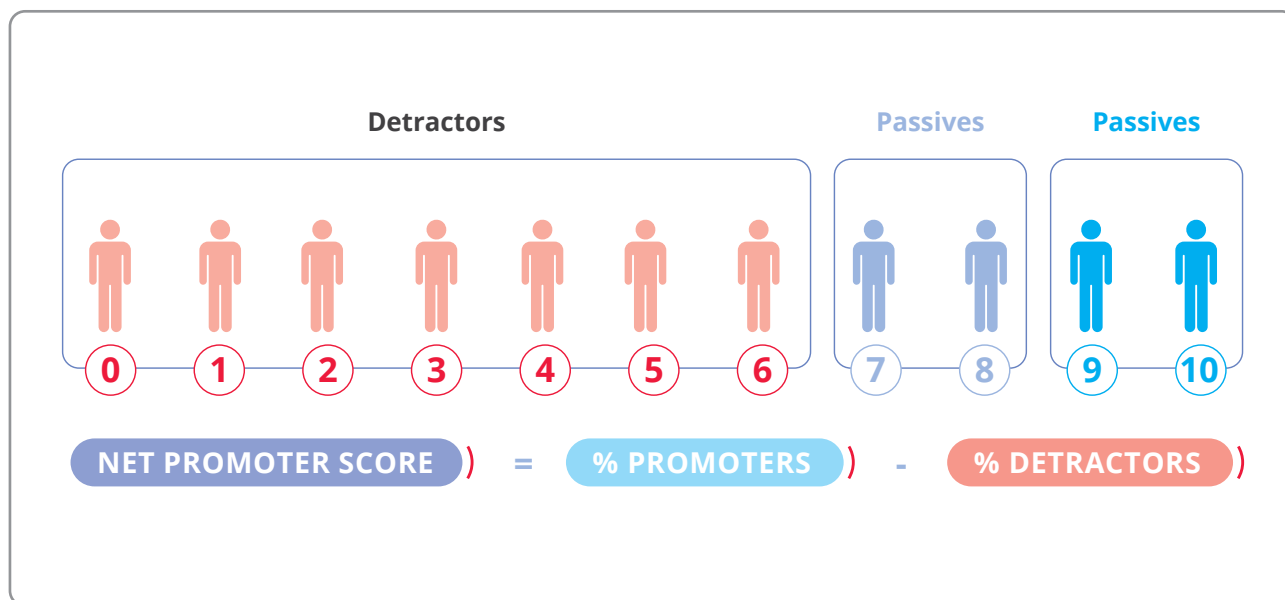
Customer experience measurement

Customers are not just a key stakeholder group, but a valuable source of insight and feedback for the Bank's overall business strategy. The Bank strongly believes in listening to its customers and incorporating their suggestions into its products, operations and approach. Towards this, the Bank has put in place, a holistic methodology for measuring customer experience across touch points. The Bank's Service Excellence unit captures the Voice of the Customer (VOC) and Customer Scoring through transaction and engagement feedback, and by assessing performance across key service drivers. Over the years, the Bank has strengthened its customer experience measurement process by investing in digital platforms, making it real time and based on contextual conversations with customers.

Net Promoter Score (NPS)

The Bank has also institutionalised Net Promoter Score (NPS) as a key metric to drive superior service experience, customer loyalty and advocacy, across its various 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). Continuous focus and commitment to customer experience has resulted in reduction in Detractors and an increase in Promoters resulting in improved Net Promoter Scores across channels. The Bank's Net Promoter Score for FY 2023-24 stood at 70 (an improvement over last year's NPS of 68). The overall Retail Banking NPS journey is on an increasing trend and scores for FY 2023-24 have seen significant improvement of 18 points over the last 3 years. Along with measuring NPS, the Bank has established a robust Detractor Management process which includes service recovery of Detractors, close looping customer feedback, winback initiatives to retain Customers, and further collaboration with the Promoters. NPS trends, Consumer insights (VOC), Detractor Analysis are reviewed periodically with respective stakeholders across channels and various improvement initiatives across People, Process and Technology are taken to provide superior banking experience to customers.





Grievance redressal

YES BANK has instituted a comprehensive Grievance Redressal Mechanism (GRM) to ensure responsive, fair, expeditious and customer-centric query/complaint management procedures for all its customers. The GRM is in line with the Bank's Board-approved Grievance Redressal Policy, the implementation of which is overseen by the executive-level, Standing Committee on Customer Service and the Customer Service Committee of the Board.

The Bank's 3-Level Grievance Redressal Mechanism through which customers can register their grievance by visiting the Bank's Branch, calling its call centre or writing to YES Touch for any query/request/complaint. 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 is provided a system defined Turnaround Time (TAT). As mandated by the Reserve Bank of India, YES BANK has implemented a mechanism of Internal Ombudsman wherein all customer complaints that 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 delivered through:

- One Engagement Model: A dedicated email ID and virtual contact centre with dedicated phone lines for receiving, record keeping and resolving customer service issues, preferably in one engagement itself
- Corporate Service Delivery (CSD) Branches which take care of operations and in person contact based services
- Priority Service Relationship Managers (PSRM) who are experienced banking professionals with product, relationship, banking and service experience are allocated to high transactions/business volume customers to act as a 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



Employment Practices

YES BANK recognises talent as its primary differentiator for success and a 'people-first culture' as its primary driver of sustainable competitive advantage. The Bank's talent strategy revolves around five key pillars of increased technology integration, focus on quality, candidate experience, people and culture branding framework and role readiness, which enables the Bank to attract and retain the best talent and drive sustainable outcomes.

As they embody the Bank's core values of agility, transparency, integrity, innovation, and responsibility, YES BANKERS, contribute to a workplace environment that prioritises holistic growth, development, and wellbeing. The future of the workplace at YES BANK is one that is driven by innovation, guided by employee feedback, and anchored in a culture of inclusivity and diversity.

MATERIAL TOPIC

6

Description and Impacts

Good employment practices refer to the Bank's policies, processes, practices and initiatives towards building an open, inclusive, healthy, diverse and growth-oriented workplace with an aim to attract new employees and retain talent. This includes fair and inclusive hiring practices; non-discrimination policies, workforce diversity; opportunities for training, development and growth, procedures for employee wellbeing, occupational health & safety, employee engagement; and ensuring human resource related compliances; amongst other employment-related practices.

Impacts on Stakeholders

The Bank's good employment practices help contribute to:

- The creation of new employment opportunities in the economy^{PALS}
- The enhancement of individual skills, knowledge, employability and social mobility^{PALS}
- Good health and wellbeing of individuals, their families and society^{PALS}
- Helps reduce marginalisation of vulnerable groups, such as women, minorities, and migrants through inclusivity and non-discrimination^{PALS}

Impacts on Enterprise Value Creation

- Good employment practices help boost employee morale, satisfaction and loyalty towards the organisation^{PALC}
- It strengthens the Bank's ability to attract new talent and retain its employees^{PASC}
- It also helps improve employee participation and engagement in their jobs leading to better productivity and performance^{PASC}
- Committed employees help contribute positively to the Bank's performance by being vigilant of risks and opportunities, and infusing innovation and ownership in their jobs in line with organisational goals^{PASR}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to implement responsible employment practices:

- The Bank has a well-defined Code of Conduct. The Bank's code and other policies are aimed at fostering a culture of equal opportunity, diversity and inclusion, gender equality, and to prevent all types of harassment and discrimination
- The Bank is an equal opportunity employer and is committed to creating a diverse and inclusive workplace
- The Bank offers its employees tailored training programmes covering technical skills, industry knowledge, and essential soft skills
- The Bank continues to undertake a number of initiatives towards nurturing the physical, mental, and emotional well-being of its employees. It also implemented an Occupational Health and Safety Management System (OHSMS) that meets the requirements of ISO 45001:2018 standard
- The Bank has a dedicated 'Employee Service Desk' to support and redress employee queries and grievances. During the year, the Bank undertook its third edition of the 'VOICE of YES' Employee Engagement Survey
- Domain-specific ESG and climate-related KPIs have been dovetailed into the goal sheets of relevant executive management including MD & CEO
- The Bank has a robust and transparent performance review process which includes self-assessment, assessments by reporting authority and reviewer, and a Committee Review
- The Bank has set up an online Rewards & Recognition platform called 'YES LEAGUE of Excellence' where employees across the organisation can be nominated for rewards and receive appreciation
- 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
- The Bank has embraced innovative HR technologies and leverages advanced HR analytics, to empower data-driven decision-making

Targets and KPIs:

Target

25%

Share of women's participation in the workforce by FY25

Performance

21.8%

Share of women's participation in the workforce in FY 2023-24, up from the previous year

Other KPIs

99.7%

Return to work rate after maternal leave

8.86

Average training days per employee

91%

Employee participation in the Bank's the 'VOICE of YES' Employee Engagement Survey

100%

Of eligible employees received a regular performance and career development review during the reporting period

¹GRI 3-3



EMPLOYMENT PRACTICES

KEY POLICIES¹

- **Equal Opportunity 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>

- **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

- **Occupational Health and Safety (OHS) Policy:**

YES BANK has instituted a Bank-wide OHS Policy to emphasise its commitment to providing 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

- **Total Rewards Policy:**

YES BANK has instituted a Total Rewards policy for attracting and retaining top-class talent, creating and reinforcing a strong meritocracy-based performance culture and reinforcing employee behaviours aligned with organisational values

- **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.

¹GRI 2-23

Key highlights for FY 2023-24

28,001

Total permanent employees

6,103

Permanent women employees

6,827

Training programmes

248,226

Training days leading to 1,985,810 training hours

27,819

Employees trained

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

Diversity & Inclusion (D&I)

YES BANK is an equal opportunity employer and is committed to creating a diverse and inclusive workplace where all employees have equal opportunities and discrimination is not tolerated. The Bank is dedicated to fostering gender equality by ensuring fair and unbiased recruitment processes, contributing to improving gender diversity within the workforce. The Bank's employees undergo various initiatives, engaging trainings and workshops aimed at promoting diversity and inclusion.

Additionally, YES BANK enforces a no tolerance policy towards sexual harassment through the G.R.A.C.E. programme, in compliance with relevant legislation. Internal Committees investigate complaints promptly and confidentially, ensuring a respectful workplace for all. The Bank actively communicates its policies and procedures to all employees and provide ongoing support and training to uphold its commitment to gender respect and equality.





EMPLOYMENT PRACTICES

Key D&I measures include

Equal Opportunity Workplace

The Bank's policy on Equal Opportunity and the Code of Conduct 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 not only drives the Bank's institutional objective of an equitable work environment but also spearheads diverse representation of workforce including the targeted increase in the share of women's participation in the workforce to 25%, increase in Differently Abled Employees, persons from Defence Services, amongst others. Women participation in the Bank's workforce had increased from 18.8% in FY 2021-22 to 21.8% in FY 2023-24. In addition to this, share of women in STEM-related positions (as % of total STEM positions) stood at 20.5% in FY 2023-24. This progression reflects a positive trend towards achieving greater gender diversity within the organisation, aligning with the global push for gender equality and inclusive workplaces.

Recruitment Strategies

The Diversity and Inclusion guidelines of the Bank are synergised with the recruitment and hiring strategies to attract a diverse talent pool and eliminate biases in recruitment. Additional referral incentives under the Employee Referral Policy is paid to the referring employee for referral of women candidates.

Further, the Bank has launched 'YES AGAIN' programme to reconnect and invite female alumni to re-join the YES BANK family.

Persons with Disabilities

The Bank commemorated the International Day of Persons with Disabilities with a session conducted by a Visually Impaired Trainer & Change Catalyst to sensitise key leaders and managers on creating an inclusive workplace where differently abled employees can thrive. The session was well received by the participants.

At the end of FY 2023-24, the Bank had 25 differently abled employees across locations from an earlier count of 8 in FY 2022-23 and continues to focus on structured recruitment of differently abled persons at select centres.

Fostering Gender Equality

YES BANK is committed to fostering gender equality by ensuring fair and unbiased recruitment processes, contributing to improving gender diversity within the workforce. The Bank's employees undergo various initiatives such as Ascend and Transcend focus aimed at sensitising employees on gender stereotyping and career-limiting beliefs and empowering women leaders to enhance their networking skills and career progressions. Additionally, the Bank enforces a no tolerance policy towards sexual harassment through the G.R.A.C.E.

programme, in compliance with relevant legislation. Internal Committees investigate complaints promptly and confidentially, ensuring a respectful workplace for all. YES BANK actively communicates their policies and procedures to all employees and provide ongoing support and training to uphold their commitment to gender respect and equality. During the year, the Bank has also launched YES INSPIRE programme with the objective to nurture more women leaders who can inspire and guide the next generation of YES BANKers.

People Demographics – Diversity¹

Management Band	Under 30		30-50		Above 50		Total
	Male	Female	Male	Female	Male	Female	
Senior Management	0	0	224	29	96	8	357
Middle Management	7	1	3,369	563	154	18	4,112
Junior Management	5,709	2,846	12,307	2,633	32	5	23,532
Total	5,716	2,847	15,900	3,225	282	31	28,001

Senior Management includes MD & CEO, ED and employees in C-Suite, Leadership, Executive and Senior grades for FY 2023-24

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, 2024

Excludes 98 trainees, advisors and consultants

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

The Bank has no tolerance towards any act on the part of 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 working in 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.

The Bank forewarns its employees from indulging in any unwelcome acts or behaviours, which could be construed as sexual harassment, either direct or implied. Such acts are treated as a serious misconduct under the Bank's Code of Conduct and dealt with utmost seriousness with regard to imposition of punishment, if found guilty. In an endeavour to spread awareness on the aforementioned policy and ensure compliance by all the employees, the Bank has implemented a plan of action to disseminate the information and train the employees on the policy under the ambit of 'Gender Respect and Commitment to Equality' ("GRACE") programme. Additionally, 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.

¹GRI 2-7, GRI 405-1



EMPLOYMENT PRACTICES



(Prevention & Prohibition of Sexual Harassment at Workplace)

All the reported cases are resolved as per the timelines prescribed in the POSH Act. At the close of FY 2022-23, there were 6 cases pending resolution which were closed within timelines in FY 2023-24. During FY 2023-24, 23 complaints pertaining to sexual harassment were filed, of which 19 cases have been closed and 04 cases initiated at the end of FY 2023-24 are in progress and will be

completed within timelines. The complaints received by the Bank are handled promptly and effectively with utmost sensitivity and confidentiality by the Internal Committees. Cases where allegations are established, appropriate action is taken in line with the Internal Committee's recommendations.

Gender Pay Ratio

The Bank follows an employee compensation philosophy that is gender agnostic and is based on parameters such as 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 0.91.

Ratios (Female to Male) of Average Fixed Pay across Management Bands¹

Management Band	Female (A) ₹ (crore)	Male (B) ₹ (crore)	Ratio (A) / (B)
Senior Management	0.84	0.93	0.90
Middle Management	0.27	0.30	0.91
Junior Management	0.07	0.08	0.88

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

¹GRI 405-2

Recruitment Strategies:

The Diversity and Inclusion guidelines of the Bank are synergised with the recruitment and hiring strategies to attract a diverse talent pool and eliminate biases in recruitment. Additional referral incentives under the Employee Referral Policy are paid to the referring employee for referral of women candidates. Further, the Bank has launched 'YES AGAIN' programme to reconnect and invite female alumni to re-join the YES BANK family.

Development of Women Leaders:

YES BANK has launched an impactful initiative in October 2023 called YES INSPIRE, which is a woman-to-woman mentorship programme and connects talented women with experienced leaders for developmental discussions. As at March 31, 2024, the programme benefited 200 participants in the North and West regions, offering a structured approach to their personal and professional growth within a supportive environment wherein mentorship aids employee development.

Further, a cohort of 20 high performing women from the middle management cadre of the Bank with identified growth potential have been nominated to attend the coveted 'Jombay's 1000 Women Leaders Programme, from June 2024. This exhaustive development journey over 6 months is poised to enhance leadership traits in the participants thus enabling their career movement to senior management roles.

Retention of Women Talent:

With a focus on retaining talent, ratings for all women on Maternity Leave at the Bank have been protected to a minimum of 'Meets Expectations' in the forthcoming performance appraisals. Key training initiatives such as Ascend and Transcend focus on sensitising employees on gender stereotyping and career-limiting beliefs and empowering women leaders to enhance their networking skills and career progression. This enhances creation of a conducive atmosphere for women at workplace.

Benefits available to Employees:

The Bank enables young mothers to manage their childcare responsibilities, allowing them to focus more effectively on work by providing them with childcare allowance with children up to three years of age for paid services of one nanny up to ₹ 10,000/- a month. Female employees upon returning from maternity are presented a gift voucher of ₹ 5,000/- per new-born child.

To support female employees with their childcare responsibilities, so as to enable them to focus on their work and achieve their career aspirations without compromising on childcare, the Bank provides access to crèche facility through empanelment with professional agencies managed by qualified experts. Children in the age group from 6 months up to 3 years or as per applicable maternity benefit rules defined by the state Government, can avail the crèche benefit.





EMPLOYMENT PRACTICES

Total Hires in FY 2023-24¹

FY 2023-24								
Management Band	Under 30		30-50		Above 50		Total	Hire Rates
	Male	Female	Male	Female	Male	Female		
Senior Management	0	0	17	4	6	1	28	7.8%
Middle Management	6	1	423	75	6	1	512	12.5%
Junior Management	4,354	1,913	4,100	840	2	0	11,209	47.6%
Total	4,360	1,914	4,540	919	14	2	11,749	42.0%
Hire Rates	76.3%	67.2%	28.6%	28.5%	5.0%	6.5%	42.0%	

Notes:

- Hiring information is based on the employees on-boarded during FY 2023-24.
- Data points include full-time employees (India and Representative Office) and exclude fixed term contractual employees (trainees, advisors, etc.)
- Senior Management includes MD & CEO, ED and employees in C-Suite, Leadership, Executive and Senior grades for FY 2023-24

Learning and Development

YES BANK has always emphasised on a knowledge-driven approach for visualising the future and focussing on developing capacity and YES BANK places a strong emphasis on fostering a dynamic learning culture that propels both individual and organisational success. The Bank offers tailored training programmes covering technical skills, industry knowledge, and essential soft skills. These programmes, delivered through e-learning modules, workshops, and seminars, ensure that employees are well-equipped to navigate the evolving financial landscape. All the learning initiatives at the 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. The Bank spent ~₹ 2,290 per FTE on Training & Development in FY 2023-24.

Employees trained and programmes conducted

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Total classroom-training programmes conducted	6,827	6,651	5,817
Unique executives trained in classroom trainings	25,638	24,694	21,688
Unique executives trained (E-Learning)	27,532	26,674	23,237

¹GRI 401-1



YES SCHOOL OF BANKING

Key Learning Interventions¹

The Bank offers tailored training programmes covering technical skills, industry knowledge, and essential soft skills. These programmes, delivered through e-learning modules, workshops, and seminars, ensure our team is well-equipped to navigate the evolving financial landscape. A total of 1,985,810 training hours were clocked in FY 2023-24. 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 leaders and members of the Board completed the Certification in IT and Cyber Security.

Know Your Bank

The Bank launched an organisation-wide Know Your Bank (KYB) knowledge series with an objective to help employees get a better understanding of the key Business Units, their products, processes, policies, USPs. Over 4,300 employees participated in the multiple sessions facilitated by senior leaders of the Bank on diverse topics.

Building Risk & Compliance Culture Workshop

A workshop on Building Risk & Compliance Culture was organised for Senior leaders at the Bank with an objective of apprising them with relevant regulations, best practices and standards to further strengthen the Bank's risk and compliance culture.

YESsentials

YESsentials is a high-impact employee induction programme. 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.

Leadership Development Initiatives

The learning culture at the Bank is a dynamic force that nurtures careers and builds success. Through leadership programmes, mentorship, and continuous skill development, we not only invest in our employees' success but also ensure the enduring success of the Bank.

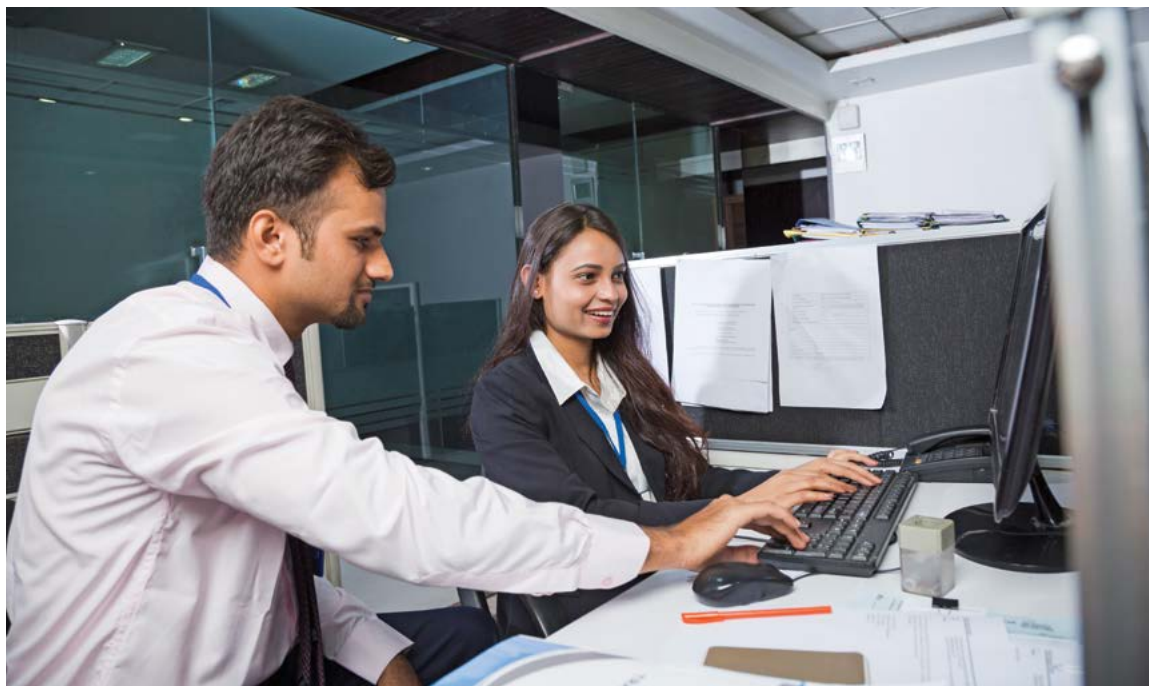
Tabletop Exercise on Crisis Management

The pivotal role that banking sector plays in the economic growth and stability, both at national and individual level, requires continuous and reliable services. A Tabletop Exercise for Crisis Management for select leaders (part of Crisis Management Team) was conducted to evaluate Bank's preparedness for crisis situation, should it occur, through crisis simulation tabletop exercises. Participants were presented an evolving set of facts and circumstances that required them to make a series of real-time decisions. The goal was to test both their established plans and their ability to respond to unanticipated events.

¹GRI 404-2



EMPLOYMENT PRACTICES



Learning Management System

My Learning@YES 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 'on the go' learning, allowing users to go through modules and appear for tests from the App ensuring better time utilisation and higher learning engagement for the employees.

Unique employees trained: Gender-Wise Breakup (Classroom)

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Male	19,938	19,622	17,625
Female	5,700	5,072	4,063
Total	25,638	24,694	21,688

Average hours of training: Gender-wise breakup¹: (Classroom and Digital)

Type	Participant Training Hours	Headcount	Avg. Participant Training Hours
Male	1,508,974	21,898	68.91
Female	4,76,836	6,103	78.13
Overall	1,985,810	28,001	70.92

¹GRI 404-1

LEADVANTAGE

LEADVANTAGE is the Bank's strategic talent development strategy that is aimed at addressing the learning needs of leaders at different management levels. The focus for FY 2023-24 was on strengthening core competencies, sustaining momentum in navigating change, alignment with the culture and strategic priorities to create conscious, future-ready leaders.

Key interventions under LEADVANTAGE include:

Inner Engineering Programme

YSB in collaboration with the ISHA Foundation conducted an exclusive 'Inner Engineering' programme for select leaders. This intensive four-day programme was curated to help participants engineer oneself through the ancient science of yoga.

Executive Coaching

Executive Coaching intervention was initiated for identified leaders of the Bank. As the coaching intervention ended, leaders were guided to complete their actionable, focussing on plans to sustain the momentum.

Emerging Leaders Programme

To further strengthen the Bank's leadership talent pool, a three-phase learning intervention was launched for emerging leaders. The programme focussed on important aspects of leadership including Leading Self, Leading Others and Managing Business skills.

Effectiveness of Training Programmes

The Bank employs Kirkpatrick's four levels of evaluation model to gauge the effectiveness of the training programmes, ensuring they are not only impactful but also continuously improved and strategically aligned. This model allows the Bank to comprehensively assess the training initiatives across various dimensions.

Reaction

For programmes lasting a day or more, the Bank gathers participant feedback through surveys, providing quantifiable metrics on their reactions.

Learning

In areas like product, process, sales, service, and certification programmes, the knowledge enhancement through post-training tests is assessed.

Behaviour

For leadership programmes, behavioural changes are evaluated, encouraging reporting authorities to integrate key learnings into their teams.

Results

The business impact and overall effectiveness of programmes like productivity enhancement, measuring their contribution to business objectives is assessed.

Unique employees trained: Management Band/Grade-Wise Breakup (Classroom)

Management Band/Grades	FY 2023-24	FY 2022-23	FY 2021-22
Senior Management	283	360	283
Middle Management	3,895	3,637	2,457
Junior Management	21,460	20,697	18,948
Total	25,638	24,694	21,688



EMPLOYMENT PRACTICES

Training Programme (Classroom) : Category-Wise Breakup

Programme Category	FY 2023-24	FY 2022-23	FY 2021-22
Behavioural and leadership skills	446	293	390
Employee induction	104	174	120
Mandatory policies and compliance	122	167	118
Process training	358	643	448
Product training	5,797	5,374	4,741
Total	6,827	6,651	5,817

Training Hours (Classroom & Digital)

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Participant training hours (Classroom)	550,716	463,669	283,182
Participant training hours (Digital)	1,435,094	829,107	810,415
Participant training hours (Classroom & Digital)	1,985,810	1,292,776	1,093,597
Participant training hours per employee	70.92	46.98	44.92

Case Study: Skill upgradation training programmes conducted in FY 2023-24

Programme	YES RSM Elevate	YES SME Gurukul
Target Group	Business nominated executives (for performance enhancement) - Profiles were Relationship Manager YES Premia and Personal Banker	Relationship Managers, Relationship Leader Acquisition, Relationship Leader Portfolio
Programme Objective	To enhance knowledge on Current Account Product and Cross-Sell opportunities with a strategic understanding of respective performance scorecard and portfolios thus improving the overall productivity in terms of Sales Output through this intervention	To enhance knowledge on SME Banking scorecard, its products and processes with a strategic understanding thus improving the overall productivity in terms of Sales, Service and Compliance Output through this intervention
Employees Trained	575	219
Post Training Business Trend	M+1 AMB (Value): 136% % of participants displayed improvement: 67% Shift in productivity bucketing: 59% Number of accounts sourced increased: by 25%	As compared to previous 3 months: Gross Disbursement (Value) (in crore) has improved by overall 54% from ₹ 920 crore (pre-training) to ₹ 1,413 crore (post-training) Out of 219 participants attended the Gurukul - more than 60% achieved a progressive outcome in PBP, Fee and Fund-based performance outcomes.
Training Month:	June 2023 to August 2023	June 2023 to September 2023

Average hours of training – Management Band/Grades Category-wise breakup¹: (Classroom & Digital)

Management Band	Participant Training Hours	Headcount	Avg. Participant Training Hours
Senior Management	5,721	357	16.02
Middle Management	153,453	4,112	37.32
Junior Management	1,826,636	23,532	77.62
Overall	1,985,810	28,001	70.92

Notes:

1. Data points include YES BANK Limited full-time employees (India and employees at Representative Office) and exclude fixed term contractual employees (trainees, advisors, etc.).
2. Senior Management includes employees in C-Suite, Leadership, Executive and Senior grades for and erstwhile employees in Top and Senior Management Bands

Health and wellness

The Bank has made substantial investments across physical, mental, and emotional well-being initiatives. These endeavours aim to create a holistic environment that nurtures the overall wellness of our employees.

Some of these initiatives include:

Insurance Benefits

A comprehensive 'Group Mediciam 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 Personal Accident Policy' and 'Group Term Life Insurance Policy' with Critical Illness rider for the 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 a policy on Employee Health Check-up. The Bank sponsors the health check-up for employees aged 45 years and above. Employees below 45 age group can avail the services at deeply discounted rates. Apart from covering the employee, the policy is extended for up to 6 dependent family members

Medical Facility

The Bank provides free medical support services for employees at these 5 key centres - YES BANK HOUSE (Santacruz), YES FINTECH Centre (Airoli), Noida office, NOC Gurgaon and NOC Chennai. These 5 centres are highest in terms of employee strength working out of one office premises. The primary objective of these medical centres is to promote a sense of care and support at the workplace. In addition to medical support, the Bank also provides physiotherapy and dietician consultations to employees

Employee Wellness

To help employees take better control of their health and wellness, a series of wellness webinars are organised in collaboration with experienced health professionals. Through these interactive webinars, the Bank aims to bridge that gap of awareness and urge employees to take proactive steps in improving their overall mental and physical health. The Bank also organised on-site health camps in partnership with local hospitals at select branches.

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

¹GRI 404-1



EMPLOYMENT PRACTICES



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 their internet and workspace set-up. Additionally, employees working at the corporate office are provided flexible work timings.

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 of 26 weeks and access to crèche facilities. Further, childcare expenses as shared above, is also given to returning mothers from Maternity Leave until the child turns 3 years of age, to support them in balancing their childcare activities at home so that they are able to focus on their work. The Bank also provides surrogacy leave to commissioning mother and adoption leave to women employees. Additionally, the Bank's male employees are entitled to 7 days of paternity leave.

The Bank's analysis of its return-to-work rate after maternal and paternal leaves is presented below¹:

Particulars	FY 2023-24		FY 2022-23	
	Maternal [#]	Paternal [#]	Maternal	Paternal [#]
Employees taking Parental leave	307	1236	251	1139
Employees resuming work	306	1236	248	1139
Employees retained after resuming work in the reporting period (end of FY)	285	954	232	900
Return to Work Rate ^{**}	99.7%	100.0%	98.8%	100%
Employees retained 12 months after resuming work	138	703	116	602
Retention rate (after 12 months) ^{**}	55.6%	61.7%	49.8%	59.7%

^{**}The percentage of "return to work rate" has been calculated based on the employees that returned to work in the reporting period after parental leave ended and "retention rate" has been calculated based on employees that resumed work after parental leave ended and were still employed 12 months after their return to work. In line with the calculation approach, a revision in the previous year reporting has been disclosed above for maternal leaves

[#]No causal relationship has been determined between paternal leave and voluntary exits

¹GRI 401-3

Occupational Health and Safety¹

In FY 2023-24, the Bank initiated the implementation of an Occupational Health and Safety Management System (OHSMS) based on the requirements of ISO 45001, a global standard for occupational safety and health management systems. The Bank's OHSMS system is applicable to all YES BANK facilities (excluding ATMs). In line with ISO 45001, the Bank has identified objectives and targets and works towards minimising OHS risks. The Bank's ISO 45001 certification currently covers two major facilities, corporate office YES BANK House (Santacruz) and YES Fintech Centre (Airoli). As part of the certification, monthly safety audits and annual Hazard Identification & Risk Assessment (HIRA) exercises are carried out by the Bank to eliminate risks applying hierarchy of controls, covering YES BANK HOUSE and YES Fintech Centre. Employees can report work-related hazards by reporting them through the Infrastructure and Facilities Management (IFM) Helpdesk or YES Serve portal. Regular consultation between employees and IFM teams are also conducted through regional IFM council meets, where work related hazards can be highlighted. The Bank's OHSMS has been certified ISO 45001 compliant.

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 onsite 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 were no incidents that resulted in any reported injuries/lost time. The Bank's Occupational Health and Safety (OHS) Policy is available on its website. The Bank's OHSMS is not based on any legal requirement and has been voluntarily implemented by the Bank in line with best practices in occupational health and safety.

The Bank provides free medical support services for employees at five key locations YES BANK HOUSE (Santacruz), YES FINTECH Centre (Airoli), Noida office, NOC Gurgaon and NOC Chennai. The primary objective of these medical centres is to promote a sense of care and support at the workplace. These centres are dedicated to identifying, addressing and managing health concerns in the workplace. Apart from primary medical support, bank also provides physiotherapy and dietician consultations to its employees.



¹GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-8



EMPLOYMENT PRACTICES

Listening to Employees

Employee Engagement Survey

The Bank concluded the third edition of the 'VOICE of YES' Employee Engagement Survey in March 2024. The third edition saw increased participation of 91% of employees (up by 12% as compared to last year) who voiced their opinions in the survey. The survey addressed multiple aspects of engagement, including job satisfaction, purpose, happiness, and stress.

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 reflects high-trust, high-performance culture that the Bank has nurtured.

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.

Employees Grievance Redressal

With an 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 FY 2023-24, 132 employee grievances were reported, of which 130 employee grievances were satisfactorily resolved during the year, while the remaining 02 cases are under review.



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 2023-24, over 11,000 employees received rewards and 15,000+ appreciation messages/wishes were exchanged through the Rewards & Recognition portal.

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, 15 and 20 years of meritorious service with the Bank.

Rewards and Recognition for FY 2023-24

Category	Count
Spot On	4,324
Trailblazer	2,768
Rising Star	1,574
Team of Champions	939
Y-Star	925
Young Leader	536

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, employing a two-pronged approach which includes weightages to both business/team goals and employees' personal development goals. 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. Further, with a view to provide an impetus to the Diversity and Inclusion charter of the Bank, starting FY 2024-25, women employees embarking on Maternity Leave during the Performance year will be given a default 'Meets Expectation' performance descriptor. As ESG is an important element of our strategy, domain-specific ESG KPIs such as KPIs related to enhancing gender diversity, emission reduction and EMS implementation and ISO 14001:2015 certification have been dovetailed into goal sheets of relevant executive management.



Retirement plans offered to employees¹

Gratuity (Mandatory):

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. The current employee Gratuity liability as at March 31, 2024 is ₹ 174.46 crore.

Employee Provident Fund & Employee Pension Scheme (Mandatory / Voluntary):

Bank is registered with RPFC for managing the benefits under Employee Provident Fund & Employee Pension Scheme. 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 basis. The employee contributes 12% of monthly basic wages towards the PF and employer contributes 3.67% of the monthly basic wages to PF Fund.

Employee Pension Scheme is part of Mandatory retirement plan wherein employer contributes on behalf of employee on a monthly basis and the maximum contribution is

limited to ₹ 1,250. Employees having basic wages up to ₹ 15,000 are mandatorily covered under the scheme. Employee who currently draw basic wages of more than ₹ 15,000 however were part of Pension scheme earlier shall continue to remain covered under the scheme. Employer's share towards Employee Pension Scheme is 8.33% of basic wages not exceeding ₹ 1,250 (excess amount goes to PF fund).

Contribution to Provident Fund & Employee Pension Scheme are recognised as expense as and when the services are rendered. The Group has no liability for future provident fund and employee pension scheme benefits other than its monthly contribution.

NPS (Voluntary):

The NPS is a defined Voluntary 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 on a monthly basis. Under this plan, employee can contribute up to 10% of his/her basic wages as monthly contribution towards the fund.

The retirement plans mentioned above, pertain to employees in India and do not cover employees working at the Abu Dhabi Representative office. Employees at the Abu Dhabi Representative office are entitled to gratuity benefits mandated by UAE labour laws, liability of which as at March 31, 2024 stands at ₹ 33,231,726



¹GRI 201-3



EMPLOYMENT PRACTICES

Employee engagement

The Bank has made substantial investments spanning physical, mental, and emotional well-being initiatives. These endeavours aim to create a holistic environment that nurtures the overall wellness of our employees. Some of these include:

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.

Sports and Fitness Initiatives

The Bank supports wellness by ensuring employees participate in various marathons and fitness events. Employees have participated in Tata Mumbai Marathon, TCS Fit4life Corporate Challenge Kolkata, Indore Marathon, Freshworks Chennai Marathon, Tata Steel Kolkata Marathon, Adani Ahmedabad Marathon to name a few. The participation fee is reimbursed by the Bank.

Health and Healing Webinars

An online webinar on Health and Healing was organised in September for all employees to share an understanding of how healing can be induced in the most natural way. The webinar covered the relationship between food, gut, mind, and health as well as the role of modern medicine and emotions in self-healing. Dog therapy sessions can offer a unique and holistic approach to mental health treatment, harnessing the healing power of human-animal bond to promote emotional wellbeing and improve overall quality of life. Sessions were conducted at the Corporate Office where employees engaged in therapeutic activities with the therapy dogs in a safe and calming environment.

Inter Corporate Events

With a view to promote physical and mental health through sports As part of the Bank's Corporate Sports Initiatives, various Indoor Sports Championships were organised for YES BANKers. Over 400 Sports enthusiasts participated in Carrom, Table Tennis, Badminton and Chess tournaments and showcased their talent. The Winners, Runner ups, and the Semi-finalists of the events were felicitated at YES BANK HOUSE with Trophies and Certificates.

YES TO ALL

The Bank is actively fostering diversity and inclusion through a range of initiatives, one such being YES TO ALL LGBTQIA+ Perspective' workshop conducted on the occasion of 'Pride Month' in June 2023. The workshop aimed at sensitising the need for inclusion and understanding everyone's role in nurturing inclusive behaviours in the organisation.

Independence Day Celebrations

Independence Day was celebrated with great fervor across all locations of the Bank. The Corporate Office was adorned in the shades of the Tricolour. An exclusive session, Veteran Voices - unveiling the experience through Q&A was conducted by a retired Army official. Employees were spellbound as the speaker took them through his journey from guarding the frontiers while serving in the elite Parachute Special Forces (Para SF) Regiment of the Indian Army to leading a team at a corporate house. Towards the end of the day, employees unleashed their creativity through an experiential workshop, Acrylic Painting on a Bottle. Their masterpieces were adorned with the tricolours of our flag.

Note on Bank's performance management & remuneration process/policy

The Bank's performance management process and compensation philosophies are structured to support the achievement of the Bank's Key Strategic Objectives (KSO). The Bank has a comprehensive process towards defining measurable Key Performance Indicators (KPIs) for senior executives, 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. For Senior and Top management employees at the Bank and select Middle management employees, 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.

University & School Relationship Management (USRM)

YES BANK runs a structured University & School Relationship Management programme (USRM) to create a mindshare amongst students from top business schools of India, through its flagship campus recruitment YES Professional Entrepreneurship Programme (Y-PEP) and its summer internship Programme - 'YES Emerging Professional Entrepreneurship Program' (Y-EPEP), basis business plans and requirements assessed annually. So far, 1,350 Y-PEPs have been recruited since inception of the programme. For the batch of 2024, 128 Y-PEPs shortlisted to join in May 2024 with a year-long on the job Y-PEP Talent Engagement Plan whilst for the Y-EPEP batch of 2024, 80 summer interns have joined the Bank.

Partnering with educational institutions

YES BANK has partnered with some of the best academia brands to undertake the following initiatives:

- **'YES Professional Banker' programme:** As part of the Hire-Train-Deploy model, the Bank in partnership with academic institution has launched the 'YES Professional Banker' programme, a one year post graduate programme which offers candidates a choice to join the Bank's Retail Business
- **YES GURUKUL Programme:** YES BANK launched the exclusive 'YES GURUKUL' programme which is a 5-day residential programme at Manipal campus, Bengaluru for its new Branch Managers ('BMs') and Relationship Managers ('RMs'). This programme empowers BMs and RMs with the skill sets required to achieve their KRAs/goals

Technological Interventions

The Bank has embraced innovative HR technologies, notably implementing a comprehensive, cloud-based, no-code Human Resource Management System (HRMS). This robust HRMS has revolutionised the Bank's HR processes, bringing about significant improvements in digitisation and automation, thereby enhancing operational efficiency. Complementing this, the Bank leverages advanced HR Analytics through Power BI, thereby empowering data-driven decision-making through interactive dashboards and predictive models. Additionally, the HRMS suite is mobile-enabled, offering exceptional user interface and experience capabilities, garnering positive feedback from employees on the system's effectiveness and user-friendliness. These technological advancements underscore the Bank's commitment to continuous improvement and innovation on employee experience.

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



EMPLOYMENT PRACTICES

KEY DATA POINTS

Human Capital

The Bank's human capital strength increased by 1.8% over the previous year to 28,001 employees (As at March 31, 2024)

- The Bank's average hiring cost per FTE is around ₹ 14,000 (FY 2023-24)
- 15.7% of the Bank's revenue-generating positions were held by women employees
- All employees of the Bank are paid above minimum wages of respective locations. The ratio[#] of entry-level wage compared to local minimum wage is 1.18¹
- 100% of the senior management* executives of the Bank were hired locally[^] during the year (except one foreign national in India)¹
- The Bank does not have collective bargaining agreements. All YES BANK employees are free to exercise the lawful rights to Freedom of Association¹
- The median pay for employees in the Bank is ₹ 7.94 lakh (As at March 31, 2024)
- The absentee rate in the Bank for FY 2023-24 is 1.58% (basis sick leaves availed by employees)

People Demographics – Region¹

Management Band/ Grades	FY 2023-24			
	North	East	West	South
Senior Management	47	5	279	25
Middle Management	1,057	186	2,264	594
Junior Management	7,294	1,569	10,218	4,432
Total	8,398	1,760	12,761	5,051

People Demographics – Nationality

FY 2023-24	
Nationality	Employees
Indian	27,996
Nepalese	3
Emirati	1
American	1
Total	28,001

Notes:

- Data has been compiled from the Bank's HRIT system (DarwinBox) which covers all of the Bank's employees
- Data is as per Full Time Employee (permanent employees) count as at March 31, 2023
- The Bank does not have part-time employees or non-guaranteed hours employees
- The Bank operates in the banking and finance services sector and does not have workers
- 31 employees working at the Bank's Abu Dhabi Representative Office are not included
- Region-wise breakup of 98 trainees/advisors: North (28), East (5), West (60), South (5)
- There are no significant fluctuations in the number of employees during the reporting period

*Senior Management includes MD & CEO, ED and employees in C-Suite, Leadership, Executive and Senior grades for FY 2023-24¹

[^]The Bank's local operations refer to its operations within India¹.

Significant locations of operation refers to the locations of the Bank's major offices¹

No significant operational changes were observed in FY 2023-24¹.

[#]The ratio has been calculated by comparing the standard entry-level wage at the Bank (male/female) with the highest 'local minimum wage' of the State/Union Territory that the Bank operates in.

¹GRI 2-7, GRI 2-8, GRI 2-30, GRI 202-1, GRI 202-2, GRI 204-1, GRI 401-1, GRI 401-2, GRI 402-1

Total Attrition in FY 2023-24¹

FY 2023-24							
Management Band	Under 30		30-50		Above 50		Attrition Rates
	Male	Female	Male	Female	Male	Female	
Senior Management	0	0	33	1	11	3	13.2%
Middle Management	1	2	637	101	11	1	18.6%
Junior Management	2,879	1,385	4,613	919	2	0	42.0%
Total	2,880	1,387	5,283	1,021	24	4	10,599
Attrition Rates	50.2%	48.9%	33.4%	33.1%	9.8%	16.0%	38.2%

Notes:

- Attrition is based on average headcount as at March 31, 2024, and includes only voluntary exits.
- Senior Management includes MD & CEO, ED and employees in C-Suite, Leadership, Executive and Senior grades for FY 2023-24

Employee Volunteering

YES BANK firmly believes that employee volunteering opportunities offers two-fold benefits – it fosters positive workplace culture and enhances skills of employees by involving them in tasks that differ from their regular responsibilities. Backed by employee volunteering policy, YES BANKers are encouraged to participate in skills-based volunteering. So far, the Bank employees have volunteered to conduct sessions on financial literacy, build capacity of NGOs through consultative approach, plant trees, identify potential scholars for a scholarship programme, strengthen prototype idea in a social hackathon and deliver work-readiness module to trainees. Over 4,000 volunteering hours were contributed in FY 2023-24. Additionally, YES BANK employees have been contributing towards Payroll Giving Programme for YES Foundation and have generously participated in crowdfunding campaigns to address emergency medical needs of people within our sphere of influence.

¹GRI 401-1, GRI 402-1



Progress on Profitability

During the fiscal year FY 2023-24, the Bank has significantly progressed along the path of improving its profitability. The Return on Assets (RoA) for the quarter ended March 31, 2024 was at 0.5% vis-à-vis 0.2% in quarter ended March 31, 2023. The Bank's management has clearly identified financial imperatives which are likely to uplift the trajectory of its Return on Assets (RoA) profile, which include: resolution of Priority Sector Lending (PSL) shortfall related drag, improving the Advances Yield through product mix optimisation, reducing cost of deposits by increasing proportion of CASA deposits, further enhancing the fee income intensity and improving cost efficiency to align with the best-in-class in the industry.

Towards this end, the Bank has identified several business levers as enlisted below, which will aid in achieving these financial imperatives. To further ensure the rigor of execution, the Bank has set up a dedicated Strategy and Transformation vertical to drive these initiatives in a focussed manner.

MATERIAL TOPIC

7

Description and Impacts

Progress on profitability refers to the Bank's commitment towards building a long-term sustainable franchise which delivers profitable growth on a consistent and predictable basis. This includes building a robust income engine with sustainably superior Net Interest Margins (NIM) and best-in-class fee generation, coupled with an optimum cost structure, which aids in generating superlative operating profits. At the same time, ensuring a strong credit and risk management culture to minimise credit costs, leading to maximisation of RoA profile.

Impacts on Stakeholders

- Higher profitability can result in maximising shareholder returns^{PPLS}
- It can also aid in significantly improving perception among stakeholders including customers, credit rating agencies, vendors and suppliers etc.^{PPLS}

Impacts on Enterprise Value Creation

- A strong profitable franchise provides adequate cushion to capital position and balance sheet from external / internal shocks^{PASC}
- Generating efficiencies from cost optimisation can create headroom for suitable investments^{PASR}
- Absence of an efficient cost-structure may result in unwanted cost growth and sub-optimal profitability^{NPSC}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to enhance business profitability:

- Guided by the expertise of its Board-level and executive-level committees, the Bank continues to ensure sustainable growth of its business, while adopting best-in-class risk and governance practices
- The Bank is committed to strengthening its strategic investments in the priority sector lending arena by increasing the proportion of its PSL compliant book and gaining access to new geographies & capabilities
- The Bank continues to optimise its product and sourcing mix to improve its RoA and reduce its cost of acquisition, while retaining the overall product risk profile
- Building on its expertise in the SME and Mid Corporate segments, the Bank remains committed to offering outstanding service-focussed and tech-driven solutions to cater to the evolving customer needs
- The Bank continues to augment the penetration of its product offerings in its growing network of branches, to reduce its cost of acquisition and improve profitability
- The Bank leverages its technology infrastructure and multi-pronged delivery channels to enhance scale and drive efficiency & profitability across its business verticals

KPIs:

3rd

Straight year of full year profitability with operating profit at ₹ 3,386 crore (up 6.4% Y-O-Y)

1.7%

GNPA ratio in FY 2023-24 (from 2.2 In FY 2022-23). Reduced NNPA ratio to 0.6% from 0.8% in FY 2022-23

44%

Proportion of RoA accretive products in the Bank's disbursements (up from 35% in FY 2022-23)

KEY ACHIEVEMENTS IN FY 2023-24

- 6th Largest Private Sector Universal Bank offering comprehensive suite of products and services
- 'Preferred Retail Franchise' with strong Customer Acquisition run-rate of more than 1.6 million new CASA customers yearly
- Third straight year of Full Year Profitability
- Holistically addressed legacy Asset Quality issues with best Portfolio Asset Quality since reconstruction
- Sufficiency in Liquidity (LCR at 116.1%) and Capital Adequacy (CET 1% at 12.2%)
- Net Profit at ₹ 1,251 crore up 74.4% Y-O-Y
- Non-Interest Income up 38.8% Y-O-Y
- Net Advances at ₹ 227,799 crore with a growth of 12.1% Y-O-Y
- Retail Advances at ₹ 105,000+ crore (~46% of Net Advances) with a focus on improving profitability
- Net Disbursements at ₹ 32,709 crore (from ₹ 26,261 crore in FY 2022-23)
- Total Deposits at ₹ 266,372 crore, up 22.5% Y-O-Y
- Investments at ₹ 90,235 crore, up 17.4% Y-O-Y
- Borrowings at ₹ 79,941 crore, up 3.2% Y-O-Y
- Improved GNPA ratio to 1.7% from 2.2% in FY 2022-23 and reduced NNPA ratio to 0.6% from 0.8% in FY 2022-23

¹GRI 3-3



PROGRESS ON PROFITABILITY

Business Lever 1: Resolution of Priority Sector Lending (PSL) shortfall related drag

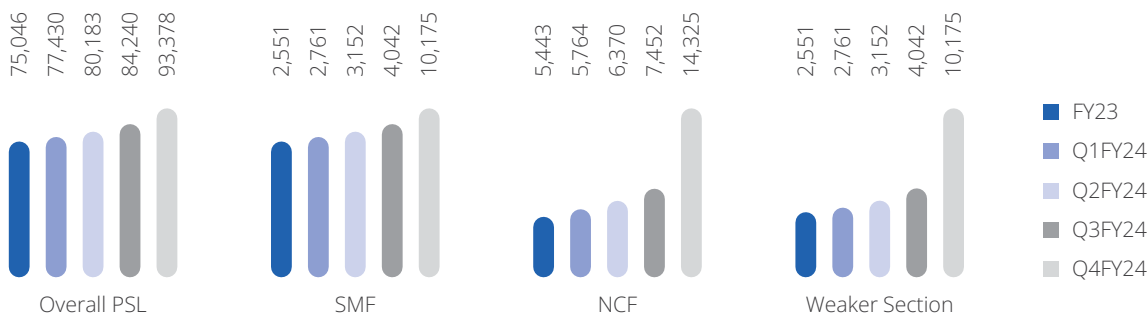
On account of the accumulated PSL shortfalls over the last few years, as the Bank was dealing with the aftermath of reconstruction and did not have adequate affordability to buy PSL certificates, the mandated deposits in lieu of the PSL shortfalls have steadily risen to approximately 11% of total Assets (as at March 31, 2024). Given the considerably lower yield (average realised yield of 2.97% in FY 2023-24) generated on these deposits, the consequent drag on Net Interest Margins (NIM), Operating Profits, Cost to Income and Return on Assets (RoA) is significant.

In order to address this, the Bank had formulated a comprehensive strategy to address the PSL shortfalls and has significantly progressed along the path of execution. The intervention areas include focussed Acceleration on Organic Sourcing in PSL sub-categories of: SMF (Small & Marginal Farmers), NCF (Non-Corporate Farmers) and WS (Weaker Sections) assets via expanding distribution, manpower, and productivity expansion of BC (Business Correspondent) partnership models and inorganic interventions such as purchase of PSL Certificates (PSLCs) / Inter Bank Participation Certificate (IBPC) / Pass Through Certificates (PTCs) / Direct Assignments (DAs)

Substantial rise in organic balances and negligible shortfall in PSL sub-categories in FY 2023-24

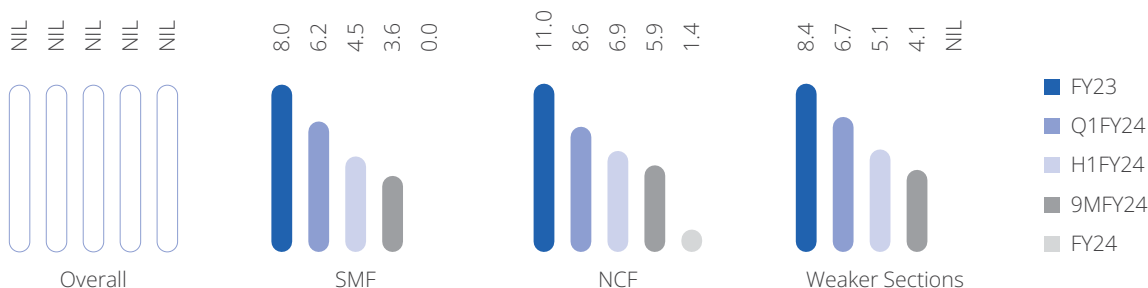
Rising on Balance Sheet Amounts (excludes inorganic interventions and deposit)

(All Figures in ₹ crore)



Reduction in overall subcategory Shortfalls (includes inorganic interventions)

(Avg. Shortfall for the period as % of ANBC)



SMF: Small & Marginal Farmers

NCF: Non-Corporate Farmers

WS: Weaker Sections

Business Lever 2: Retail Assets: Product and Sourcing Mix Calibration

While the Retail Assets portfolio has significantly scaled up over the last few years (CAGR of 26.7% between FY 2019-20 and FY2023-2024), there is significant focus now on improving the profitability profile through optimisation of the product mix and the sourcing mix. From the bouquet of over 20 retail products that the Bank currently offers, certain set of products have been identified which are RoA accretive and there has been a concerted effort towards increasing the mix of these products in the Bank's disbursements. As a result, the proportion of RoA accretive products in the Bank's disbursements has improved from 35% in FY 2022-23 to 44% in FY 2023-24.

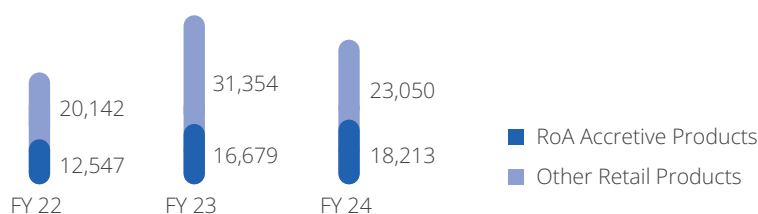
Moreover, the Bank has ensured that the product risk profile is broadly retained through mix optimisation within existing product categories.

On the same lines, the Bank has made significant strategic interventions to improve the internal sourcing of Assets through Branches and internal channels, owing to the significantly lower cost of acquisition of these channels in comparison to DSA (Direct Sales Agents). On account of these efforts, the internal sourcing mix of Retail Assets has improved from 35% in FY 2021-22 to 41% in FY 2023-24.

Product and sourcing mix calibration oriented towards profitability improvement

Calibration in Disbursement growth with focus on ROA Accretive Products*

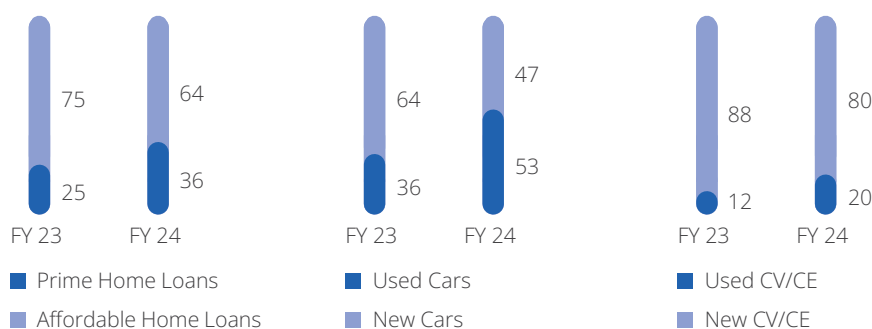
Disbursements (All Figures in ₹ crore)



*ROA Accretive products include Personal Loans, Used Vehicles (including CV/CE), Affordable home Loans, Unsecured Business Loans, Micro LAP and Education Loans.

Broadly retained product risk profile through Mix Optimisation within existing product categories

Disbursements Mix (%)





PROGRESS ON PROFITABILITY

Business Lever 3: Leveraging the expertise in SME and Mid Corporate Segments

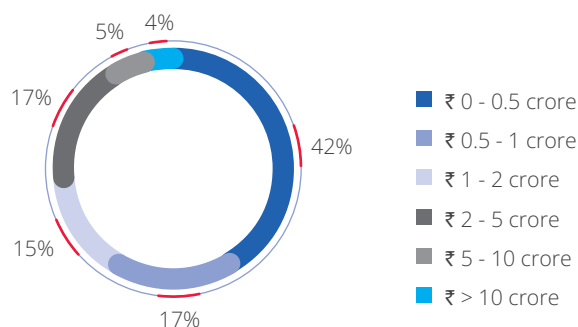
YES BANK, since its inception, has been catering to the needs of SMEs (Small and Medium Enterprises) and has developed a niche expertise in these SME and Mid Corporate segments. This strong competitive advantage is driven through deep segment expertise, relationships and 'solutioning' approach in dealing with customers. As a result of this, the Bank has been able to maintain an extended track record of superior profitability in these customer segments, while maintaining pristine asset quality through various business cycles. The Bank is executing a

successful strategy of disproportionately higher growth in these segments (25% Y-O-Y growth) in comparison to the overall loan growth of the Bank, while further improving its profitability through cross-sell and higher wallet share. Importantly, as a part of these segments, the Bank is well entrenched into the new-age Ecosystem, through bespoke digital solutions, incubation and networking platforms, and has significant market share among 'Unicorns' and 'Soonicorn' in India.

SME Segment

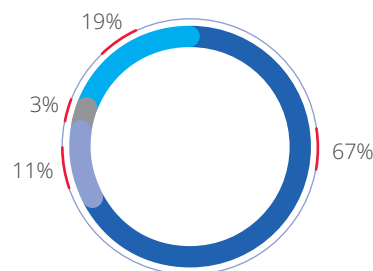
High quality & well diversified granular book with best-in-class Asset Quality

Book Split by Ticket Size (count of customers)



- ~ 75% of customers have ticket sizes < ₹ 2 crore
- Surrogate programme is driving small ticket exposures and facilitating faster turnaround time
- 30+ days overdue < 2%

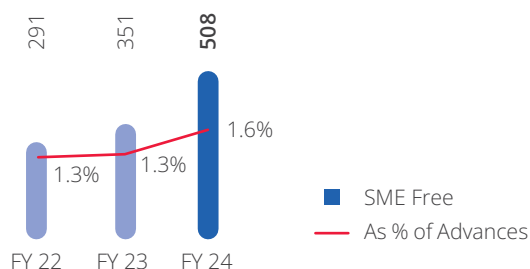
Sustainable Product Mix



- ~ 86% Book Secured; 93%+ PSL compliant

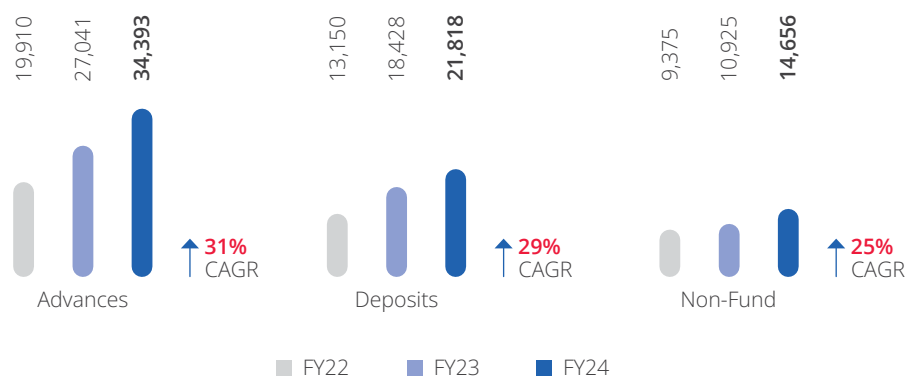
Strong momentum in fee income generation

(All Figures in ₹ crore)



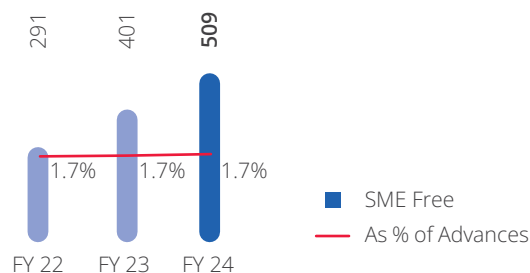
Mid-Corporate Segment

Steady growth in Balances in the Mid Corporate segment (All Figures in ₹ crore)



- Strong Liability Franchise; Shares of CA Ratio >30%
- Strong coverage - presence across 39 key geographics
- Grangular portfolio with a focus on Knowledge Banking
- Well entrenched in new-age Ecosystem: Be-spoke digital solutions, incubation/ networking platforms

Strong source of fee income





PROGRESS ON PROFITABILITY

Business Lever 4: Maximising Branch Distribution as Fulcrum of Business

YES BANK, is leveraging its existing and growing network of branches and BCBOs (Business Correspondent Banking Outlets) to offer full spectrum of products, including Deposits, Assets and fee products (third party products such Insurance, Mutual Funds etc). The Bank's Branch Banking vertical has significantly outperformed the Banking Industry in terms of generation of deposits, and low-cost CASA deposits in particular. This has aided the Bank in delivering strong liability growth over the last few

years, despite industry-wide challenges. In addition, with rising penetration of the Retail Asset offerings across the Branch network and the addition in front-line sales staff in branches, the Retail Assets sourcing as well as distribution of fee-generating products through branch channels has improved over the years, thereby reducing the overall cost of acquisition for the Bank and improving the profitability profile of the Branches.

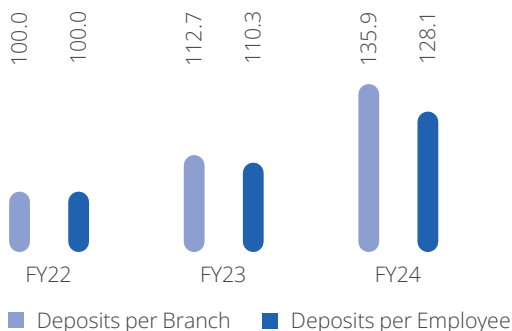
Leveraging existing (and growing) branch network to offer full spectrum of products

Branch Banking led Deposits: 22.3% CAGR (FY 2021-22 - FY 2023-24) versus 11.9% CAGR in Industry and 17.4% CAGR amongst Private Banks¹

Outperformance in Liability growth largely led by

Productivity Gains within existing & expanding franchise

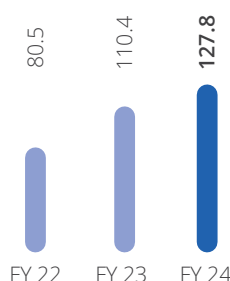
(Indexed to 100 for FY 2021-22)



Acceleration in customer acquisition

CASA AICs Acquisition — Monthly Average

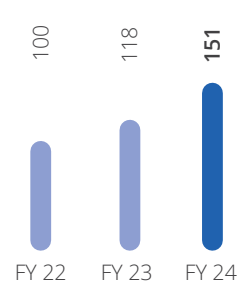
'000 Accounts



Rise in New Acquisition Value (NAV)

CASA EOP NAV- Monthly Average

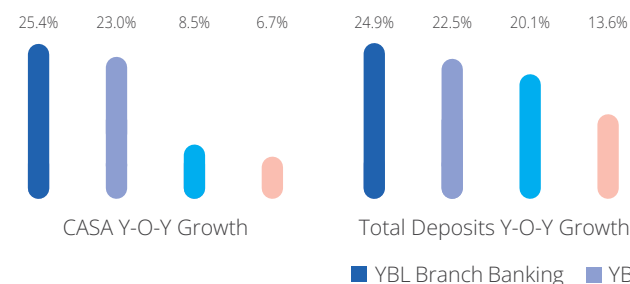
(Indexed to 100 for FY 2021-22)



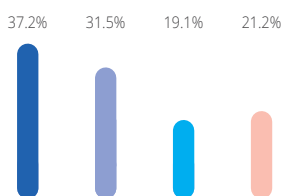
Deposits Outperformance in Branch Banking - even higher in the recent past

Branch Banking-driving Bank's outperformance v/s. Industry

Y-O-Y Growth of CASA and Total Deposits (Q423 - Q424)



Incremental CASA Ratio (Q423 - Q424)



¹ Based on Total Bank Deposits, CAGR computed between FY 2021-22 - FY 2023-24 for the Industry & Pvt. Banks

² Data Source: RBI (BSR)-2 -Deposits with SCBs

Business Lever 5: Utilising Digital & Transaction Banking Capabilities & Partnerships

YES BANK's technology platform has invariably been best-in-class, which has aided the Bank in pioneering cutting-edge products & technologies and holding superior market share in these spaces. YES BANK processes nearly 1 in every 3 Digital Payment transactions in India, a

capability driven through a blend of distinctive expertise, integrated strategy and multi-pronged delivery channels aimed at enhancing scale along with better efficiency and profitability.

Distinctive Capabilities

Market Leadership - YBL processes ~1 in 3 Digital Payment transaction in India

#1 in UPI Payments

[34.5%¹ market share with ~99.8% Success Rate]

#1 in AePS Transactions, powering

29.3%¹ of all transactions via ~824 K+partner outlets²

#2 in NEFT with ~98.7%

Success Rate & 8.6%¹ market share

95% New Credit Cards

approvals digitally³

1,000+ API Stack

Developed in-house

50+ partners integrated for

real-time leads mobilisation

'IRIS' - Retail Super App with ~230 features

90%+ Eligible CA A/C

Sourced Digitally (Individual + Sole Proprietorship)

96%+ Individual SA A/C

Sourced Digitally

Future-ready for both BaaS & BaaP Models ⁴

Business Integrated Strategy

'Deliver the Bank'

to the Customer
Curated Offerings
across platforms

'Leapfrogging' from being Product-Centric to Customer-Centric

DIY | Assisted | Next-Gen
AI | Cloud Native

Foundational, Agile and Embedded Banking

UPI / Payments, IRIS, YES
Smart Pay, YES Genie, YES
Robot, Yes Connect

Drive Cost Reduction & Productivity Improvement

- Through 'Digitisation' of
internal processes

Leveraging Public Digital Infrastructure

- CBDC (Efficient Cash Management, Small Payments) OCEN
(Digital Cash Flow Financing), ONDC (Leverage Market Ecosystem),
Account Aggregator (Data Sharing Consent Layer)

Multi-Pronged Delivery

YES BANK 'Digital & Transaction Banking Stack'

- Customer Journey's, Assets and Apps
- Internal Employee Facing Tools
- API Banking

Ecosystem Partnership

- Payment Aggregators, Co-branded cards, Third Party Apps, Corporate BCs, Co-Lending, Marketplaces etc.

Powered by **Strong Core, Data and Talent**

¹ Industry Source: RBI Payment System Indicators & NPCI

² As of March 31, 2024

³ Including Assisted Journeys

⁴ BaaS: Banking as Service, BaaP: Banking as Product



PROGRESS ON PROFITABILITY

Economic Value Generated, Distributed and Retained¹

Particulars	FY 2023-24 ₹ in '000	FY 2022-23 ^{##} ₹ in '000	Remarks
Economic Value Generated			
Revenues	327,002,371	263,824,873	P&L Account, Annual Report 2023-24
TOTAL	327,002,371	263,824,873	A
Economic Value Distributed			
Operating costs [#]	60,483,800	50,571,643	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2023-24
Employee wages and benefits	37,742,776	33,627,003	Schedule 16 – Operating Expenses, P&L Account, Annual Report 2023-24
Payments to providers of capital	194,913,182	147,798,587	Annexure A
Payments to Government ^{**}	3,766,056	704,806	Cashflow Statement FY 2023-24
Community Investments [§]	103	345	As per our books of accounts
TOTAL	296,905,814	232,702,384	B
Economic Value Retained [*]	30,096,557	31,122,489	A-B


¹GRI 201-1



ANNEXURE A

Particulars	FY 2023-24 ₹ in '000	FY 2022-23 ^{##} ₹ in '000	Remarks
Interest on deposits	135,648,191	101,087,174	Schedule 15 – Interest Expended, P&L Account, Annual Report 2023-24
Interest on RBI/Inter-bank borrowings/ Tier I & Tier II debt instruments	57,977,557	45,905,501	Schedule 15 – Interest Expended, P&L Account, Annual Report 2023-24
Others	1,287,434	805,912	Schedule 15 – Interest Expended, P&L Account, Annual Report 2023-24
Dividend paid for last year	-	-	P&L Account, Annual Report 2023-24
Payments to providers of capital	194,913,182	147,798,587	

*Calculated as per the GRI 201 Standards

#Excluding Employees Wages and Benefits, which has been shown separately

##Previous year figure has been correspondingly reclassified.

**Includes direct taxes paid to the Government. Previous year figure has been correspondingly reinstated.

§Community Investments include voluntary donations made.

***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 2023-24



Climate Action

The increasing frequency of extreme weather-related events and the socio-economic impact of unchecked global warming continue to pose significant risk to economies, businesses, and societies globally. With India being one of the most climate-vulnerable countries, YES BANK treats climate risk and climate action as key strategic priorities. The Bank has set up a robust governance structure to oversee its climate strategy, and has built internal capacities to identify, assess and mitigate climate-related risks.

YES BANK was one of the first Banks in India to support and enhance its sustainability disclosures in line with the Taskforce on Climate related Financial Disclosures (TCFD), recommendations. In FY 2023-24, the Bank continued to be recognised for its climate transparency and was rated 'A-' Leadership Band by CDP for its 2023 Climate Change disclosures, retaining its position as the highest rated Indian Bank for climate disclosures.

MATERIAL TOPIC

8

Description and Impacts¹

Climate action refers to the steps the Bank takes towards strategically integrating climate considerations into its business, including addressing climate risks, setting and disclosing emission reduction targets and decarbonisation its portfolio in line with global decarbonisation scenarios.

Impacts on Stakeholders

- The Bank's operations as well as projects financed by the Bank generate carbon emissions, which if remains unmitigated or unchecked may contribute to increasing global warming^{NALE}
- Financing and investment in green opportunities, contributes to avoidance of emissions^{PALE}

Impacts on Enterprise Value Creation

- 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^{NPLC}

- Stricter environmental/climatic regulations and policy changes may impact operations/strategy of the Bank and/or its clients^{NPLR}
- Climate risk factors may increase market and operational risks for the Bank. Market risks can arise from significant fluctuations in energy and commodity prices due to the transition on carbon-intensive industries^{NPLR}
- The Bank may also have to bear higher insurance risk premiums on its own assets vulnerable to climate change^{NPLC}

Linkages



P-Positive/ N-Negative | P-Potential/ A-Actual | L-Long/ S-Short | E-Environment/ S-Social/ C-Cost/ R-Revenue/ R-Risk

¹GRI 201-2

MANAGEMENT OF THE MATERIAL TOPIC¹

Climate Risk Governance and Strategy:

- The Bank has instituted a robust climate governance structure, with oversight from two Board-level committees – CSR & ESG Committee and Risk Management Committee
- The Bank has included climate-related KPIs into the goal sheets of the MD&CEO and relevant executive management, including the CFO
- Climate risk is integrated into multi-disciplinary company-wide risk management processes and as a material Pillar II risk in its Internal Capital Adequacy Assessment Process (ICAAP)
- In line with its commitments and Taskforce for Climate-related Financial Disclosures (TCFD) recommendations, the Bank has instituted robust systems for managing climate-related risks at the organisational, project and portfolio levels
- In FY 2023-24, the Bank took steps to reduce its electricity generation sector portfolio emissions in-line with the SBTi well below 2-degree scenario, striving for 1.5-degree scenario. The Bank aims to extend this exercise to other carbon-intensive sectors in its portfolio
- The Bank continues to mobilise finance towards climate-aligned sectors such as renewable energy and Electric Vehicles through targeted products such as green bonds and YES Kiran (rooftop solar loans dedicated to SMEs)

Targets and KPIs:

Target

50%

Reduction in financed emission intensity of its electricity generation portfolio, striving for 75% reduction by FY32 (from base year FY 2021-22)

Performance

24%

Reduction in financed emission intensity of electricity generation portfolio (from base year FY 2021-22)

Other KPIs:

A-

Rated A- Leadership Band by CDP for its 2023 Climate Change disclosures – highest rated Indian Bank for climate disclosures

619 ktCO₂e

Of annual attributable emissions avoided through the Bank's renewable energy financing

KEY POLICIES / COMMITMENTS¹

Principles for Responsible Banking: 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

Environment & Social Policy: The Bank has adopted an Environment and Social Policy (ESP), aligned with IFC PS and national regulations, that integrates environmental and social risks (including climate 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 (including climate risks) commensurate with the nature and scale of transactions and their potential impacts.

A summary of the policy can be accessed here:



https://www.yesbank.in/pdf?name=ybl_esp_summary_pdf.pdf

¹GRI 2-23, GRI 2-24, GRI 3-3



CLIMATE ACTION

Climate Strategy

Being cognisant of its environmental impacts and responsibility towards climate action, 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. 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.

For more information, refer to the Sustainable Finance section on [→](#) Page 194

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.

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.

For more information, refer to the Operational Eco-efficiency section on [→](#) Page 184

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 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.

For more information, refer to the "Sustainable Finance" section on [→](#) Page 194

Climate-related Risks Identification¹

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 desk research, the Bank enlisted material climate-related risks faced by the

financial sector, including Current Regulation, Emerging regulation, Technological Risk, Legal Risk, Market Risk, Reputational Risk, Acute Physical Risk and Chronic Physical Risk. 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:

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.

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.

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.



¹GRI 201-2



CLIMATE ACTION

Climate-related Risk Management¹

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

1. 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.
2. 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.
3. 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.



¹GRI 201-2

4. 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.
5. 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 and Principles for Responsible Banking.
2. 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

Project level

1. 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.
1. 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 portfolio.
2. 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.
3. The Bank 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 68)



CLIMATE ACTION

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 "PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions Second Edition" as a guidance to

estimate financed emission. The Bank has measured financed emission of its electricity generation portfolio & cement (manufacturing) 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 ₂ e)	Emission Intensity	Data quality Score
Power generation**	Corporate loan Project Finance investment (treasury)	1.02	719.3	0.479 (tCO ₂ e/MWh)	2.04
Cement (manufacturing)***	Corporate loan Project Finance investment (treasury)	0.53	1010.4	0.670 (tCO ₂ e/ Tonne)	2.19

*Portfolio coverage is a function of portfolio outstanding (Advances and Investment)/ Total Portfolio outstanding (Advances and Investment) of the Bank

**Where client emission data are not available publicly, Bank has utilised "Central Electrical Authority (CEA's) CO₂ Baseline Database for the Indian Power Sector, Version 19" for emission intensity of electricity generation sector. Nil emissions assumed from renewable energy, considering that renewable energy generation leads to negligible emissions.

***Where client emission data are not available publicly, Bank has utilised "Climatiq data explorer version 13.13, Source: CBAM 2023 Region India" for emission intensity of cement manufacturing sector. Includes 98% (by volume) of clients in Cement (manufacturing) portfolio (fund based advances and treasury). 2% (by volume) of clients have not been included due to unavailability of usable data points.

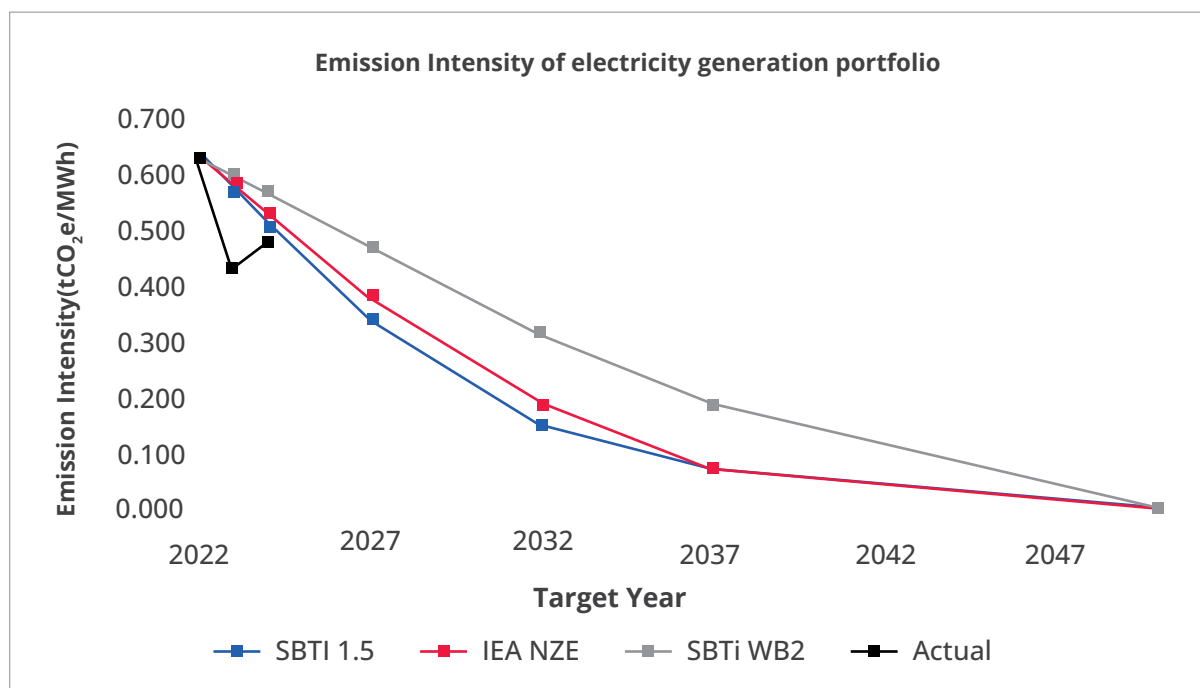


For electricity generation portfolio (asset classes as mentioned), the Bank has used sectoral decarbonisation approach by SBTi to establish interim targets in line with well below 2-degree scenario, striving for a 1.5-degree scenario. Considering base year of FY 2021-22, the Bank has developed interim target of reducing financed emission intensity of its electricity generation portfolio, at least by 50%, while striving for achieving 75% reduction by FY 2031-32. 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.

In FY 2022-23, the emission intensity of electricity generation fund-based portfolio (corporate loans, project finance, investments) declined significantly from 0.628 tCO₂e/MWh in FY 2021-22 to 0.404 tCO₂e/MWh due 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 FY 2023-24, there was a slight increase in emission intensity of electricity generation fund-based portfolio (corporate loans, project finance, investments) from 0.404 tCO₂e/MWh to 0.479 tCO₂e/MWh. The increase in emission intensity is primarily due to the increase in output of clients in terms of electricity generation and thus, associated emissions per unit of ₹ crore exposure and slight increase in exposure towards non-renewable energy generation. Emission intensity of FY 2023-24 remains within the trajectory of SBTi well below 2 degrees as well as SBTi 1.5-degree pathway and meeting the bank's interim target for the electricity generation sector for the year.

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 ACTION



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.¹

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.

¹GRI 201-2

Transition to low-carbon

The banking sector is a pivotal player in steering economies towards a low-carbon future. In the context of India, recent projections underscore a need for over USD 10 trillion in financing to meet its net-zero target, of which more than 80% is required for the transition of the Indian power sector alone. Recognising that the majority of this financing will need to be mobilised by domestic financial institutions, YES BANK is committed 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, through its financing to renewable energy, contributes to avoidance of emission in electricity generation, and assists in decarbonising India's electricity generation. 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 (rooftop solar loans for SMEs).

Sector	Advances (₹) As at March 31, 2024
Renewables Energy	₹ 2,110 crore
Electrical Vehicles	₹ 139.29 crore
Rooftop Solar loans to MSMEs	₹ 18.63 crore





Financial Inclusion

Financial inclusion continues to be a crucial enabler on the path to achieving India's Sustainable Development Goals (SDGs). Deepening the reach of financial services amongst unbanked, hard to reach, and vulnerable communities, can spur economic growth, enhance gender equality, promote health and wellbeing, and prevent excessive debt burden. Enhancing access to finance continues to be a strategic priority at YES BANK.

The Bank has implemented a comprehensive Financial Inclusion Plan which is reviewed by its Board of Directors on an annual basis. Taking a multi-pronged approach, the Bank's initiatives aim to improve access to basic financial services in rural, hard to reach areas, widen the reach and uptake of government schemes such as Kisan Credit Card (KCC), promote financial literacy, and enhance employability and entrepreneurship opportunities amongst vulnerable communities, through skill-building and livelihood programmes.

MATERIAL TOPIC

9

Description and Impacts

Advancing financial inclusion refers to the Bank's initiatives and policies aimed at enhancing the reach and access of financial services and increasing financial literacy amongst the unbanked and underbanked populations of rural and semi-urban India. Social financing refers to channelised funding towards priority sectors such as agriculture, SMEs, etc. to bring a sharper focus on inclusive development.

Impacts on Stakeholders

- Deepening the reach and access of formal financial services and credit amongst unbanked, hard to reach, and vulnerable communities, can reduce income inequality and boost economic output^{PALS}
- By enabling them to access finance from formal, regulated sources, vulnerable communities can be prevented from falling prey to unregulated money lenders and over indebtedness^{PALS}
- Initiatives aimed at the financial inclusion of women can also help accelerate gender equality and women's economic empowerment^{PALS}

- Priority sector lending helps channelise social finance towards economic sectors that contribute to national priorities^{PALS}

Impacts on Enterprise Value Creation

- Failure to comply with priority sector lending requirements can put the Bank at risk of regulatory action^{PBLR}
- Enhancing social finance towards national priority areas helps the Bank contribute to India's SDGs, create positive impact and build transformative relationships with key stakeholder groups^{NPSR}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to promote financial inclusion:

- The 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's has established a large network of BC Branches and 219 Business Correspondent Banking Outlets (BCBO), to provide asset and liability solutions to over 105,000 customers in the rural segment
- The Bank implements its holistic approach to financial inclusion by promoting government schemes such as PMJDY and KCC; offers women borrowers microfinance loans through YES LEAP, caters to the financial needs of farmers through crop and farm mechanisation loans; meets the remittance need of migrants, under-banked populations through its digital YES Money platform
- The Bank's Agribusiness Product Management (APM) unit develops customised lending propositions for the agriculture value chain participants, facilitated through seamless digital platforms
- The Bank continues to make steady headway towards realising its CSR commitment to catalyse employment and entrepreneurship opportunities for over 100,000 youth by 2026, and has reached over 40,000 youth, till date

KPIs:

6.56 lakh

Active women
Borrowers in rural India

₹ 1,678 crore

Disbursed to women
microfinance borrowers
in FY 2023-24

105,974

PMJDY accounts
opened in FY 2023-24

₹ 3,801 crore

Term lending to microfinance
institutions for on-lending in
FY 2023-24

KEY POLICIES/COMMITMENTS¹

Board-approved Financial Inclusion Plan: The Bank has developed a Board-approved Financial Inclusion Plan (FIP) which outlines the overarching

strategy and approach for enhancing financial inclusion. The FIP is reviewed by the Board on a quarterly basis.

¹GRI 2-23, GRI 2-24, GRI 3-3



FINANCIAL INCLUSION

Holistic approach to financial inclusion

YES BANK follows a holistic approach to financial inclusion by not only enhancing the access of financial services amongst hard to reach, and vulnerable communities, but also, by ensuring that it offers a comprehensive bouquet of financial solutions, customised and targeted at different bottom-of-the-pyramid (BOP) customers, based on their unique needs and requirements. The Bank has established a large network of Business Correspondence (BC) partners to deliver its financial services, to the last mile. In FY 2023-24, the Bank's network of BC Branches and 219 Business Correspondent Banking Outlets (BCBO), enabled it to provide both asset and liability solutions to over 1.05 lakh customers in the rural segment

Supporting government financial schemes

The Bank promotes flagship government schemes such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Kisan Credit Cards (KCC). Such schemes continue to play a major role in enabling unbanked individuals to formally enter into the financial system

Offering microfinance

YES BANK has established dedicated business units such as Inclusive and Social Banking (ISB) and Microfinance Banking (MFB), which operate its flagship group-lending programme, YES Livelihood Enhancement Action Programme (YES LEAP), and through which the Bank provides financial services to women microfinance borrowers and extends term loans to Microfinance Institutions (MFIs) for on-lending

Farmer mechanisation loans

In order to cater to the specific needs of farmers across specialised agri clusters, the Bank's Rural Banking Assets unit 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.

Remittances led approach

The Bank's flagship programme YES Money meets 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).



Supporting government financial schemes

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).

Accounts opened under PMJDY (FY 2023-24)			
Product/service	Targeted clients	Accounts opened in FY 2023-24	Total accounts held by the Bank as at March 31, 2024
Saving Account (PMJDY)	Women (Urban +Rural)	45,329	60,250
Saving Account (PMJDY)	Individual in rural or hard to reach areas (Male)	53,363	70,485
Saving Account (PMJDY)	Individual in urban (Male)	7,282	13,914
Total		105,974	144,649



FINANCIAL INCLUSION

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 (KCC). The Kisan Credit Card scheme aims to provide timely and adequate credit support to farmers to meet their short-term credit requirements for cultivation of crops including financial support towards post-harvest expenses; produce marketing loan; consumption requirements of farmer household; working capital for maintenance of farm assets and activities allied to agriculture; investment credit requirement for agriculture and allied activities.

KCC Transactions in FY 2023-24				
Product/service	Targeted clients	No. of Clients	No. of Accounts	Outstanding book (₹ / crore)
KCC	Women/Individuals in rural or hard to reach areas	9,962	16,260	3,055

Promoting microfinance

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 6.56 lakh (as at March 31, 2024), the Bank in FY 2023-24, disbursed ₹ 1,678 crore to 3.73 lakh women. Since inception of the YES LEAP programme in 2011, the Bank has cumulatively disbursed over ₹ 16,318 crore to over 34 lakh families, till date.

Microfinance loans extended under YES LEAP in FY 2023-24				
Product/service	Targeted clients	Amount Disbursed (₹ / crore)	No. of women borrowers	Portfolio Outstanding (₹ / crore)
Microfinance loans	Women	1,678	6.56 lakh	1,781

YES LEAP – Microinsurance

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 2023-24			
Product/service	Targeted clients	Premium Collected (₹ / crore)	No. of insurance coverages extended
Micro-insurance	Women/family members of borrower	56.28	9.7 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 2023-24			
Product/service	Targeted clients	Disbursements in FY 2023-24 (₹ / crore)	Outstanding Book (₹ / crore)
Loans	MFIs	4,060	3,801

Farm Mechanisation Loans

The Bank offer loans to cater 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, 2024, loans were offered to more than 45,000 farmers under the farm mechanisation and KCC services.

Farm Mechanisation Transactions in FY 2023-24				
Product/service	Targeted clients	No. of Clients	No. of Accounts	Outstanding book (₹ / crore)
Farm Mechanisation Loans	Farmers/Individual in rural or hard to reach areas	15,324	15,324	1,339

YES Micro Enterprise Finance (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 2023-24				
Product/service	Targeted clients	No. of Clients	No. of Accounts	Outstanding book (₹ / crore)
Loans	Individuals in rural or hard to reach areas	420	485	235



FINANCIAL INCLUSION

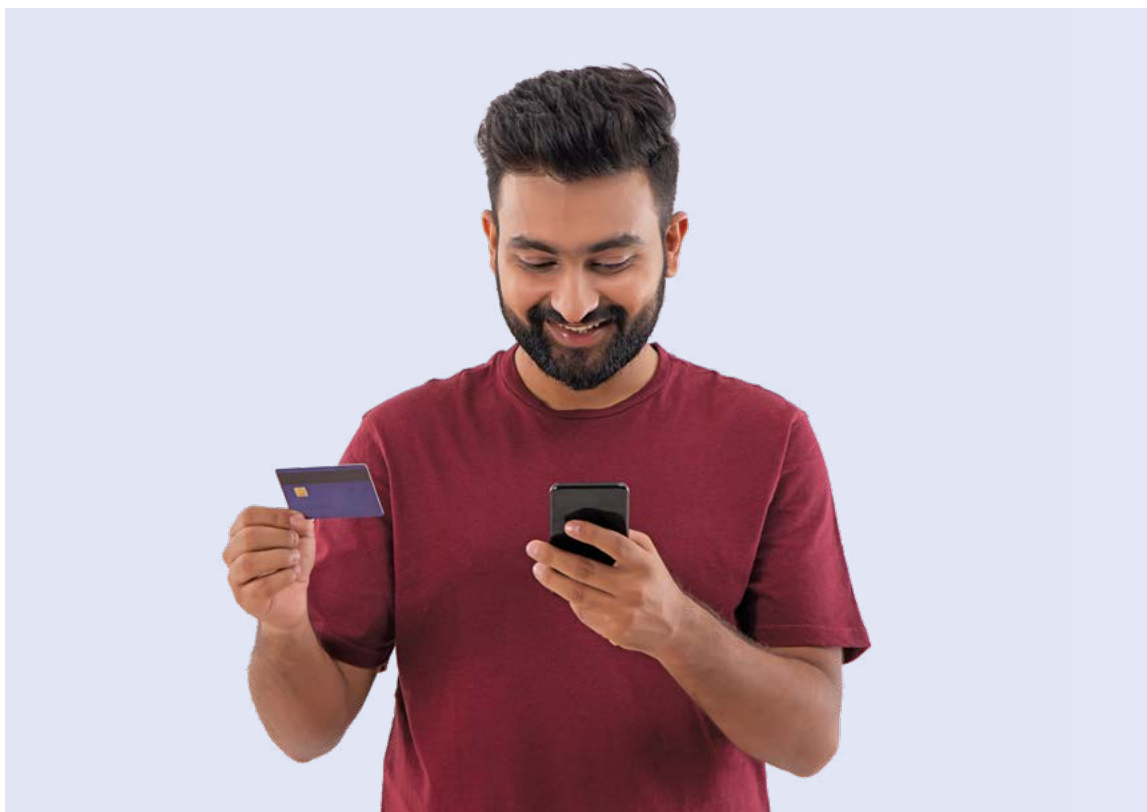
Remittance

YES Money:

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. 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.

YES BANK's Market Share in digital payments	
Product/service	Market Share
AePS	29.32% [#]
MATM	18.27%
DMT	6.97%

[#] Market share for entire FY 2023-24 basis NPCI data



YES Foundation

Catalysing employment and entrepreneurship opportunities for over 100,000 youth by 2026

YES BANK, through its social development arm, YES Foundation, actively engages with communities to understand their unique needs and collaborates on projects that create positive impact. This community-centric approach ensures the Bank's CSR initiatives are relevant and sustainable.

The Bank's CSR initiatives have had a positive impact on the livelihoods of rural as well as urban communities, while also contributing to environmental sustainability. With farmers, the initiatives focus on enhancing their income through sustainable agricultural practices and access to water. The work with rural women and artisans around nano enterprise development has not only led to income enhancement but also brought

intangible benefits, like empowerment and breaking gender role stereotypes.

Recognising the demographic dividend of India, the Bank, through YES Foundation, has undertaken skilling programmes, providing market-oriented job skills to underprivileged youth and ensuring at least 70% placement of the trained youth. Enabling livelihood and skill development has fostered systemic change in the society, inspiring the youth to participate in social and economic transformation of the country.

YES BANK has made steady headway towards realising its CSR commitment to catalyse employment and entrepreneurship opportunities for over 100,000 youth by 2026, and has reached over 40,000 youth, till date.

Employability

In order to harness the demographic dividend of the country, YES BANK, through YES Foundation, has undertaken skilling programmes to provide market-oriented job skills across various sectors to underprivileged youth and ensure that at least 70% of the trained youth are placed. In FY 2023-24, 2,200 youth received skills training across 6 different states. In addition to this, soft skills like communicative English, basic computers, mock interviews, resume writing, personality development and confidence building were also provided to the trainees. Learning Management Systems and supplementing classroom learning with self-paced online learning was also encouraged. Sessions from industry experts played an important role in providing realistic insights and practical tips to benefit the trainees.

Anjali, a 24-year-old beneficiary residing in Delhi, faced financial constraints due to her family's limited means. Determined to achieve independence, she seized an opportunity by enrolling at our retail sector-oriented skilling centre.



"This initiative provided comprehensive retail training, equipping me with skills in customer service, client interaction, interview tactics and personality development. Today, I have a job as a Guest Manager at one of the food outlets in Gurugram, with a salary package of ₹ 2 lakh per annum."

- Anjali



FINANCIAL INCLUSION



Entrepreneurship

Agricultural development in India is uneven, with several states facing pronounced disparities. Rising cultivation costs, inadequate price support, and limited market access have compounded farmers' challenges. Besides overuse of chemicals, environmental threats, and neglect of soil health have further exacerbated food insecurity and livelihood concerns. Limited knowledge of innovative agricultural practices and challenges in accessing water for irrigation throughout the year has prompted a significant portion of the population to engage in seasonal migration. Women and artisans are also susceptible to cycle of economic vulnerability and need specific interventions encompassing skill enhancement and market linkages.

Rural entrepreneurship is a key growth driver for any economy. YES BANK, through YES Foundation, works with small and marginalised farmers in Rajasthan and Gujarat to promote sustainable livelihood by combining traditional and scientific methods. The Bank strives to strengthen rural economies by enhancing income generation opportunities through farming extensions, agricultural inputs and promotion of handicrafts and handlooms. 6,000 farmers in FY 2023-24 received training on various climate resilient farming techniques and gained access to enhanced irrigation support facilities. The work in watershed development has ushered a newfound hope for a lot of farmers and reversed migration of youth in the region.

**The Bank's local operations refer to its operations within India.*

¹GRI 413-1, GRI 413-2

"In my 2-acre plot, I used to cultivate grains and vegetables. This farming, however, only fetched me an annual income of around ₹ 40,000, posing a challenge to make ends meet. Thanks to interventions like mulching, drip irrigation, and training in scientific tomato cultivation, I saw a significant increase in our agricultural yields. My annual income has now risen to over ₹ 1.3 lakh, and my elder son has also returned to the village from the city to help us with cultivating our land"

- Lilaben Arvindbhai, project beneficiary and farmer from Vangara village of Panchmahal district, Gujarat.

The Bank is yet to undertake any social impact assessments of its financial inclusion and community development initiatives. 100% of Bank's operations are covered through its implemented local* community engagement and development programmes. The Bank's employability and entrepreneurship programmes include processes for stakeholder engagement with the community, consultations with local authorities, small and marginal farmer groups, local panchayat, village development committees as well as community volunteers, as part of the programme's implementation design¹.

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 2023-24, over 1,460 Financial Literacy Camps were conducted across 134 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.

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
- **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





FINANCIAL INCLUSION

- **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 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-approved 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 (for example: 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, can do so through the complaint registers maintained at the BC banking outlets. All BCBOs are also equipped with a separate Complaint/Suggestion Box



Supporting agriculture value-chains

The Bank's Agribusiness Product Management (APM) vertical closely interacts with Food and Agri clients to create customised lending propositions for the agriculture value chain participants – including farmers, SMEs and corporates. 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.



Operational Eco-efficiency

At YES BANK, adhering to the highest standards of environmental management is just as important as delivering the highest standards of service to our customers. The Bank's vast network of branches and offices not only serve large cross-sections of society, but also ensure that they do so in compliance with all applicable environmental laws and regulations, and with a continual focus on reducing the Bank's ecological footprint.

The Bank's facilities consume a number of key resources in the course of their business such as electricity; diesel, refrigerants, paper, amongst others, and generate waste. In order to minimise the use of key natural resources, improve resource efficiencies, recycle and safely dispose waste, the Bank has adopted a robust Environmental Management System (EMS) which was certified ISO 14001:2015 compliant for the 11th year

in a row in FY 2023-24. 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. The Bank continues to migrate key facilities to 100% renewable energy, in line with its target to net zero emissions from the Bank's operations by 2030.

MATERIAL TOPIC 10

Description and Impacts

Improving operational eco-efficiency refers to the Bank's ability to carry out its business by minimising the utilisation of natural resources, limiting the negative environmental impacts of its operations, reducing its carbon footprint, driving continual improvements in eco-efficiency and adhering to all applicable environmental laws and regulations.

Impacts on Stakeholders

- The Bank's energy consumption from non-renewable energy sources contributes to CO₂ emissions which is the cause of global warming and climate change^{NAL}
- Improper disposal/recycling of the Bank's e-waste can lead to pollution of natural ecosystems^{NAL}

Impacts on Enterprise Value Creation

- Failure to comply with applicable environmental laws/regulations can put the Bank at risk of fines, lawsuits, and reputation loss^{NPLR}
- Emerging regulations and stakeholder expectations can make the Bank's operations vulnerable to climate-related transition risks^{NPLR}
- Unaddressed climate change can make the Bank's operations and facilities prone to extreme weather events and climate-related physical risks^{NPLR}

Linkages



MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to ensure continuous improvement in environmental performance:

- The Bank has adopted an Environmental Management Policy (EMP) that guides the implementation of its bank-wide Environmental Management System (EMS) and drives continual improvements in areas such as natural resource conservation, responsible waste management, sustainable supply chain and emissions reduction
- The Bank achieved its 11th consecutive year of ISO 14001:2015 certification for its Environmental Management System and successfully expanded the scope of its EMS from 833 to 1,186 facilities - the highest number of facilities covered under an ISO 14001 certified EMS in the banking sector, globally
- The Bank has pledged to reduce its scope 1 and scope 2 emissions to net zero by FY 2029-30 and has taken steps to migrate its facilities to renewable energy. In FY 2023-24, the share of renewable energy in the Bank's electricity mix increased to ~12.31%, resulting in an estimated 5,254.95 tCO₂e in avoided emissions
- The Bank has appointed central authorised vendors for the collection, recycling and responsible disposal of its e-waste, battery waste and other hazardous waste from all its facilities

Targets and KPIs:

Targets

Performance

Net Zero

Scope 1 and Scope 2 emissions by 2030

~5,254

tCO₂e avoided by migrating facilities to renewable energy

19.55%

Reduction in emission intensity (per rupee of turnover) Y-O-Y

Other KPIs:

12.31%

share of renewables in the Bank's electricity mix

1,186

Facilities covered under the Bank's ISO 14001:2015 certified EMS

~18%

Reduction in Energy intensity (per rupee of turnover) Y-O-Y

KEY POLICIES/COMMITMENTS¹

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

Net zero by 2030 target: In order to align with the net zero pathways suggested by the IPCC, the Bank has pledged to reduce GHG emissions from its operations to net zero by 2030. The Bank's net zero emissions target covers its absolute Scope 1 and Scope 2 emissions. The Bank has begun sourcing renewable energy to power key offices such as its corporate office and will migrate the majority of its facilities to renewables by 2030.

¹GRI 2-23, GRI 2-24, GRI 3-3



OPERATIONAL ECO-EFFICIENCY

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 2023-24, the Bank's EMS was certified ISO 14001:2015 compliant for the 11th year in a row. Additionally, the Bank increased the number of ISO 14001 certified facilities to 1,186 from 833 from the previous year. During the year, two of YES BANK's major facilities also renewed their Green Building Certifications - YES BANK House received Platinum certification and the Bank's Okhala Office received Gold certification as per the Indian Green Building Council (IGBC) standard.

Energy consumption and transition to renewables¹

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 completed its migration to 100% light-emitting diode (LED) lighting all its facilities, across India. The Bank is also in the process of phasing out air conditioning systems that are over 10 years old and that use R22 refrigerants. This year,

the Bank replaced 685 R22 air conditions in 167 branches totalling 956 in tonnage with energy-efficient, inverter units, resulting in energy savings of approximately 29,48,711 MJ*. The Bank's focussed energy conservation initiatives helped reduce the Bank's energy intensity per rupee of turnover by approximately 18% from the previous year, even as its overall energy consumption for FY 2023-24 increased by a marginal 1.57% over the previous year, due to the addition of new facilities.

Reducing emissions¹

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. To achieve its net zero target, the Bank has begun migrating most of its facilities to renewable energy. In FY 2023-24, the share of renewable energy in the Bank's electricity mix increased to 12.31% resulting in approximately 5,254 tCO₂e in avoided emissions. Currently, three of the Bank's offices, YES BANK House, YES Fintech Centre, Airoli and Vaman Centre, Andheri, along with 43 of the Bank's 92 Branches in Mumbai have been switched to renewables. In FY 2023-24, the Bank reduced its emission intensity (per rupee of turnover) by 19.55%, from the previous year.

KEY HIGHLIGHTS – YES BANK'S ISO 14001:2015 CERTIFIED EMS

World's first bank to have as many as 1,186 facilities under its ISO 14001:2015 certified Environmental Management System

- Inclusion of environmental risks into the Bank's operational risk assessment tool
- Introduced processes for stringent tracking of environmental compliances through quarterly undertaking from respective Business Unit heads
- Ensuring fulfilment of environmental compliances by landlords of leased facilities as part of lease agreements
- Streamlining waste management practices by onboarding pan-India vendors with relevant consents from PCBs
- Simplifying processes to procure Green Power from the grid by taking advance consent from landlords as a part of lease agreements

**Energy savings have been calculated using an estimate of 44% energy saved by Inverter ACs, as per a research paper from the Springer publication. Running period has been estimated as per purchase date of the AC units. Energy consumption from non-inverter ACs has been used as a baseline for calculating savings.*

¹ GRI 302-4, GRI 305-5, GRI 305-6

Energy consumption and GHG emissions from the Bank's operations¹

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 2023-24, the Bank's energy consumption stood 223,679,590.32 MJ. (For breakup of the Bank's energy consumption from renewable and non-renewable sources, refer → page 353). The Bank's energy intensity, within its operational boundaries[^] stood at 0.00068 MJ per rupee of turnover.

GHG Inventory	FY 2023-24	FY 2022-23
Scope 1¹		
Diesel Consumption (litres)	252,155.05	259,056.97
Scope 1 emission – Diesel Consumption (tCO ₂ e)	633.43	685.11
Scope 1 emission – Refrigerant Leakage (tCO ₂ e)	2,816.80	2,856.29
Total Scope 1 Emission (tCO₂e)	3,450.23	3,541.40
Scope 2²		
Total Grid Electricity Consumption (MWh)	59,633.38	58,606.85
Total Renewable Electricity Consumption (MWh)	7,339.32	6,203.88
Total Non-Renewable Electricity Consumption (MWh)	52,294.06	52,402.97
Total Scope 2 Emission (tCO₂e)	37,442.55	37,468.12
Total Emission Scope (1+2) (tCO₂e)	40,892.78	41,009.52
FTE as at March 31	28,001	27,517
Emission Intensity ((S1+S2) tCO₂e/FTE)	1.46	1.49
Turnover as on March 31	327,002,371,000.00	263,824,873,000.00
Emission Intensity ((S1+S2) tCO₂e/Turnover)	0.000000125	0.000000155
Scope 3³		
Category 1- Purchased goods and services ⁴	1,519.27	1,337.87
Category 2 - Capital goods ⁵	1,270.08	-
Category 3 - Fuel- and energy-related activities ⁶	15,547.74	-
Category 5 - Waste generated in operations ⁷	2,666.01	-
Category 6 - Business travel ⁸	2,275.17	2,077.85
Category 7 - Employee commuting ⁹	8,776.16	2,316.14
Category 8 - Upstream leased assets ¹⁰	6,682.17	7,208.79
Category 15 - Financed emission ¹¹	1,729,788.93	559,982.76
Total Scope 3 Emission	1,768,525.54	572,923.41

[^]The Bank's operational boundary for data pertaining to its energy consumption and GHG emissions include its eight major offices in India (including the Bank's Registered Office, YES BANK House in Santacruz - East, Mumbai), 51 Regional Offices, 1,234 Branches, its two international facilities, i.e., a representative office in Abu Dhabi and an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT). Emissions through electricity consumption at off-site ATMs have not been included due to the unavailability of reliable data.

¹ GRI 302-1, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4



OPERATIONAL ECO-EFFICIENCY

Emissions of ozone-depleting substances (ODS)¹: The Bank's use of R22 refrigerant resulted in 85.79 CFC equivalent (Kg). The emission factor is sourced from HRAI, Canada document.

Air emissions¹: NO_x, SO_x and PM emissions through diesel consumption are 967.60 Kg, 595.58 Kg and 493.76 Kg respectively. This has been estimated using weighted average methodology.

GHG Table Footnotes

¹Scope 1 emissions include refrigerant leakage from Air conditioners taken collected PAN India. Scope 1 emissions also include diesel consumption for the Bank through Petro Card system. The emission factors have been taken from the Department for Environment, Food & Rural Affairs - GOV-UK (DEFRA).

²Scope 2 emissions constitute CO₂ emissions from grid electricity (from non-renewable sources) consumed by YES BANK. Grid electricity consumption has been estimated through facility-wise electricity bills and state-wise tariff charges (Spend based Method). The emission factor has been taken from Central Electrical Authority (CEA's) CO₂ Baseline Database for the Indian Power Sector, Version 19. Tariff Rates & Duty/Taxes have been taken from 'Electricity Tariff & Duty & Average rates of electricity supply in India 2023. The Bank Switched to sourcing renewable energy to power YES BANK House, Airoli office, Vaman Centre and 43 out of 92 the Bank's Branches in Mumbai, avoiding 5,254.95tCO₂e in FY 2023-24. The Bank's Scope 2 emissions for FY 2023-24, according to the location-based method, stood at 42,697.5tCO₂e

³Scope 3 emissions include emissions under the following categories (reported as per GHG Protocol Corporate Standard).

⁴Category 1: Purchased goods and services: includes only emission from paper (A4) consumption. Environmental impact estimates (for paper consumption) were made using the Environmental Paper Network Paper Calculator Version 4.0

⁵Category 2: Capital goods: includes only emission for laptops purchased in FY 2023-24. Emission factors have been taken from the websites of respective laptop manufacturers

⁶Category 3: Fuel-and energy-related emissions not included in Scope 1 or Scope 2: includes Well-to-Tank emissions for diesel and Transmission and Distribution losses from electricity consumption. Emission factors have been taken from the websites of the Department for Environment, Food and Rural Affairs (DEFRA), UK and the International Energy Agency (IEA)

⁷Category 5: Waste generated in operations: includes emissions from generated waste (dry waste, wet waste, plastic waste, hazardous, E-waste, and battery waste). Emission factors have been taken from the DEFRA website

⁸Category 6: Business travel: includes emissions from air travel. The emission factor for Business Travel have been taken from the 'Emission Factors for Greenhouse Gas Inventories' published by the Environmental Protection Agency (EPA), USA

⁹Category 7: Employee commuting: includes emission from employee commute (to and from) their work locations. The emission factors for employee commute have been taken from India Specific Road Transport Emission Factors & India Specific Rail Transport Emission Factors for Passenger Travel and Material Transport by the India GHG programme. The emissions through daily employee commute have been estimated basis responses received through a primary pan-bank survey

¹⁰Category 8: Upstream leased assets: includes emission from outsourced data centres. The energy consumed by the Bank's outsourced data centres for FY 2023-24, stood at 33,597,515.52 MJ¹. The emission factor for electricity consumption through data centres is taken from the Central Electrical Authority (CEA's) CO₂ Baseline Database for the Indian Power Sector, Version 19

¹¹Category 15: Financed Emission: coverage includes financed emissions from cement manufacturing portfolio and electricity generation portfolio (covering corporate loans, investment (bonds and equity) and project finance) in FY 2023-24. In FY 2022-23, coverage was limited to electricity generation portfolio. In FY 2023-24, attributed financed emission of electricity generation and cement (manufacturing) portfolio are 719,369.54 and 1,010,419.39 tCO₂e respectively. The Bank has utilised "PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions Second Edition" to estimate financed emission. Where client emission data are not available publicly, BANK has utilised "Central Electrical Authority (CEA's) CO₂ Baseline Database for the Indian Power Sector, Version 19" for emission intensity of electricity generation sector and utilised "Climatiq data explorer version 13.13, Source: CBAM 2023 Region India" for emission intensity of cement manufacturing sector.

Please refer [→](#) page 160 of the Integrated Report for details.

¹ GRI 302-2, GRI 305-6, GRI 305-7

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 ₹ 1,026 per tCO₂e emissions, i.e. to avoid one unit tCO₂e emissions, annual cost or required expenditure is of around ₹ 1,026. 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 ₹ 422 per tCO₂e emission to ₹ 2004 per tCO₂e emission,

with the overall carbon price at an organisational level estimated at ₹ 1,026 per tCO₂e 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 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.





OPERATIONAL ECO-EFFICIENCY

Waste management¹

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.; used lead acid batteries from its Uninterruptible Power Supply (UPS) systems; 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 vendors for the collection, recycling and responsible disposal of its e-waste, battery waste and other hazardous waste from all its facilities. The Bank has partnered Viagreen to recycle the dry waste generated at key facilities including its corporate office. YES BANK House is also equipped with a composting unit to recycle its wet waste and a zero liquid discharge facility to, to treat its sewage, with the treated water used to maintain flora around the office.

Type of Waste generated	Description	Waste Generated Weight (MT)	Waste recycled / recovered Weight (MT)	Waste disposed to landfill/ incinerated Weight (MT)
Plastic Waste*	Plastic Bottles etc.	2.47	0.52	1.95
E-Waste	Desktop, Printers, Laptops etc.	55.35	51.76	3.58
Bio Medical Waste [#]	Expired Medicine, Bandages etc.	0.014	0.003	0.01
Battery Waste	Lead Acid Batteries	23.30	22.85	0.45
Hazardous Waste	Residue Oil from DG Sets	0.47	0.05	0.41
Dry Waste*	Paper, Stationery etc.	182.66	38.24	144.42
Wet Waste*	Leftover Food, Vegetable Peels etc.	161.24	20.34	140.89

**In FY 2023-24, the Bank amended its methodology for estimating its waste generated/disposed for the categories of plastic waste and other non-hazardous waste. For these categories, in addition to reporting actual data from select major offices, the Bank has also included estimated data for the remainder of its offices and branches, based on facility-wise headcount. For FY 2023-24, information for plastic waste generated/disposed includes actual data (from YES BANK HOUSE - Santacruz), YES FINTECH - Airoli, Goregaon office, and NOC Chennai) and estimated data for the remainder of offices and branches, calculated based on facility-wise headcount. Other non-hazardous waste includes dry waste (cups, paper, cartons, stationery, tissue paper etc.) and wet waste (leftover food, vegetable peels, fruits etc.). FY 2023-24, information for dry waste and wet waste generated/disposed includes actual data (dry waste from YES BANK HOUSE - Santacruz, YES FINTECH - Airoli, Goregaon office, and NOC Chennai, and wet waste from YES BANK HOUSE - Santacruz, and estimated data for the remainder of offices and branches, calculated based on facility-wise headcount.*

[#]Bio-medical waste includes data from five major offices, YES BANK HOUSE (Santacruz), YES FINTECH (Airoli), NOC Chennai, NOC Gurugram and Max Tower Noida, which have an in-house medical centre

¹ GRI 306-1, GRI 306-2

Water management¹

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 use of water is towards human consumption. YES BANK does not have any facility in areas of water stress. The Bank has however set up water meters to track and monitor its water withdrawal at some of its major facilities. In FY 2023-24, the Bank's annual water consumption stood at 254,617,742.63 Kilolitres[^].

Reducing paper¹

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	Sheets of (A4) paper saved	Energy saved (MJ)*
Personal Loan File Discontinuation Project	215,895	27,768.94
Barcode or link of MITC booklet instead of Physical Copy in Saving Accounts Kit	22,798,760	2,932,432.10
Barcode or link of MSE booklet instead of Physical Copy in Current Account Kit	954,280	122,741.82
Reduction in Cheque book leaves	803,774	103,383.37

*Energy saving is calculated based on paper saving initiatives implemented by the Bank in FY 2023-24. The Paper Calculator Tool by Environmental Paper Network has been used to calculate energy savings. Paper consumption in the absence of paper saving initiatives has been used as a baseline for calculating energy savings.



[^]In FY 2023-24, the Bank amended its methodology for estimating water consumption. In addition to reporting actual data from select major offices, the Bank has also included estimated data for the remainder of its offices and branches, using an estimate of 45 litres of water consumption per head per working day for offices, as per guidelines published by the Central Ground Water Authority (CGWA). For FY 2023-24, information for water consumption includes actual data from YES BANK HOUSE - Santacruz, YES FINTECH - Airoli and Abu Dhabi Representative Office, and estimated data for the remainder of offices and branches.

¹ GRI 303-1, GRI 303-2, GRI 302-5



OPERATIONAL ECO-EFFICIENCY



Sustainable sourcing

The Bank continues to enhance its sustainable sourcing practices and proactively identifies opportunities to adopt innovative sustainable products and solutions in its business activities. In order to achieve its net zero by 2030 target, the Bank began sourcing renewable energy to power its facilities. Currently, three of the Bank's major offices (corporate office, YES BANK House, YES Fintech Center, Airoli and its office in Vaman Centre, Andheri), along with 43 of the Bank's 92 Branches in Mumbai have been switched to renewables. 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 has 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 also switched to procuring 100% recycled paper (A4) for internal operational use, across all its facilities.

YES FOUNDATION's Agroforestry Project: Fighting climate change while Improving farmer income

Climate change induced erratic rainfall and extreme weather events like cyclones, floods, drought and pest attacks are leading to declining agricultural yields. Agrarian and tribal communities, already struggling land degradation and uncertain prices are expected to be the worst impacted by climate change, with their incomes estimated to decline by up to 25%. Some of the areas grapple with a spectrum of socio-economic and environmental adversities, from erratic rainfall patterns and water scarcity to land degradation and diminishing agricultural productivity.

YES BANK, through YES Foundation, undertook the implementation of an agroforestry project across 11 states in India. This initiative will play a critical role in enhancing green cover, addressing climate change, while also supporting sustainable livelihoods of farmers. The project is designed to respond strategically to the challenges induced by climate change by introducing sustainable solutions and offering comprehensive support to farming communities. By incorporating native tree plantation and adopting innovative agricultural practices, the project aims to mitigate the adverse effects of climate change and bolster the resilience of farming communities. In FY 2023-24, 2 lakh trees were planted on farmer land and were geotagged to monitor growth and survival.

Indal Singh, a farmer from Amas village of Gaya district in Bihar, along with his brothers, had to take on additional labour work to meet the monetary needs of their large extended family. Currently, his family's yearly income is only around ₹ 1-2 lakh from sale of produce from his 7 acres of land. Indal Singh actively sought his enrolment

when he heard of the Bank's plantation project and was allocated 1,700 Mango, Lemon and Amla saplings. He is confident that he will take good care of the trees and that the fruits that will be harvested will enhance his family income by ₹ 3-4 lakh.





Sustainable Finance

Addressing challenges such as climate change and achieving critical Sustainable Development Goals (SDGs) requires the mobilisation of large quantum of finances. According to a report by the World Economic Forum*, an estimated USD 50 trillion in incremental investments is required by 2050 to transition the global economy to net-zero emissions and avert a climate catastrophe. India itself requires an estimated investment of USD 10.1 trillion to reach its net zero by 2070 target#. Developing countries like India also face a growing annual investment gap of about USD 2 trillion, required to achieve SDGs.

Being cognizant of the environmental and social impacts of its business, YES BANK has taken proactive and decisive steps towards integrating ESG and climate considerations into its business. The Bank has instituted an Environment and Social Risk Management System (ESMS) as part of its responsible lending practices and has been at the forefront in developing and bringing to market innovative green financial mechanisms to support climate-aligned and sustainability-linked sectors.

MATERIAL TOPIC 11

Description and Impacts

Sustainable finance refers to the process of integrating environmental, social and governance (ESG) considerations in investment decisions, leading to increased longer-term investments in sustainable economic activities and projects. This includes the mobilisation of finance needed for private investments towards achievement of the Paris Agreement and SDGs.

Impacts on Stakeholders

- Sustainable finance enables the Bank to support SDGs, contribute to India's net zero ambition, and minimise the negative socio-environmental impacts of its business^{P^{LE}}
- The integration of ESG parameters in lending decisions encourages the banking sector to work with clients across industries to drive the transition low carbon^{P^{LE}}
- The Bank's leadership in sustainable finance can improve its reputation amongst sustainability-focussed customers, build a competitive advantage to unlock opportunities in sunrise sectors, and strengthen its relationship with ESG-aligned stakeholder groups^{P^{PLR}}
- The integration of ESG and climate considerations in lending and investment decisions can help mitigate the Bank's exposure to ESG-related risks and position it to capitalise on emerging opportunities^{P^{PLR}}

Impacts on Enterprise Value Creation

- Incorporating ESG parameters in its business and products can improve the Bank's ESG ratings, attract ESG focussed investors and capital^{P^{PLR}}

Linkages



*Financing the Transition to a Net-Zero Future: https://www3.weforum.org/docs/WEF_Financing_the_Transition_to_a_Net_Zero_Future_2021.pdf

#Investment sizing India's 2070 net-zero target: <https://www.ceew.in/cef/publications/investment-sizing-india-s-2070-net-zero-target>

P-Positive/ N-Negative | P-Potential/ A-Actual | L-Long/ S-Short | E-Environment/ S-Social/ C-Cost/ R-Revenue/ R-Risk

MANAGEMENT OF THE MATERIAL TOPIC¹

Initiatives to advance sustainable finance:

- The Bank has adopted an Environment and Social Policy (ESP) based on international frameworks such as IFC Performance Standards, which serves as a structured approach towards responsible lending. The Bank has instituted an Environment and Social Risk Management System (ESRMS) to assess and mitigate E&S risks of its financing activities
- The Bank kickstarted the green bond market in India, by issuing India's maiden green bond in February 2015, going 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
- In the line with the new extant guidelines issued by RBI on its Framework for acceptance of Green Deposits, the Bank has put in place a Board-approved Green Deposit Policy and Financing Framework and is in the process of rolling out its Green Deposit programme
- The Bank continues to channelise financing to climate aligned sectors such as renewable energy and electric vehicles and other socially critical sectors such as SMEs and affordable housing

KPIs:

619 ktCO₂e

Of annual attributable emissions avoided through the Bank's renewable energy financing

₹ 3,819 crore

In sanctioned debt facilities for supporting renewable energy projects of ~637 MW

₹ 35,327 crore

SME advances as at March 31, 2024

₹ 6,310 crore

The Bank's Khushi (Affordable) Home loans portfolio as at March 31, 2024

KEY POLICIES/COMMITMENTS¹

Environment & Social Policy: The Bank has adopted an Environment and Social Policy (ESP), aligned with IFC PS and national regulations, that integrates environmental and social risks (including climate 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 (including climate risks) commensurate with the nature and scale of transactions and their potential impacts.

A summary of the policy can be accessed here:



https://www.yesbank.in/pdf?name=ybl_esp_summary_pdf.pdf

Principles for Responsible Banking: 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.

¹ GRI 2-23, GRI 2-24, GRI 3-3



SUSTAINABLE FINANCE



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.

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. The list is derived from the IFC's exclusion list and includes sectors or activities that have a 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.

Overview of projects for which detailed E&S Due Diligence / Assessment was conducted (FY 2023-24)

In FY 2023-24, detailed E&S due diligence/assessments were conducted for 8 transactions, all of which were project finance cases. There were no project-related corporate loan transactions.

CASE STUDIES

Solar Energy Project

The Borrower approached the Bank to seek term loan facilities for setting up a 100 MW solar energy project. As per the provisions of the E&S Policy, the Bank conducted a preliminary desk-based assessment to determine potential adverse environmental and/or social impacts arising from business activities of the Project. The preliminary assessment highlighted need of a detailed E&S due-diligence (E&S DD) in line with IFC Performance Standards (IFC PS) requirements and verifying compliance with applicable Indian E&S regulatory framework. Accordingly, a detailed E&S DD assessment was commissioned by the Bank to identify and mitigate potential E&S risks associated with the Project. The E&S DD recommended improving legal compliances of the sub-contractors engaged in on-site activities and revising the existing formal Grievance Redressal Mechanism (GRM) to reflect site specific scenarios. The Bank is in consultation with the Borrower to finalise an Environmental & Social Action Plan (ESAP) addressing key concerns identified in the E&S DD assessment.

Sponge Iron Manufacturing Unit

The Bank sanctioned facilities to a Borrower for setting up a sponge iron manufacturing unit. The preliminary desk-based assessment indicated the need for a detailed Environment & Social Due-Diligence (E&S DD).

The E&S DD assessment highlighted the need for improving the over-all 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 work permit system, EHS training calendar. Improvements were also made to the existing on-site firefighting and first-aid facilities.

Hybrid (solar and wind) Renewable Energy Project

The Borrower and the Bank had been in engagement to participate in loan facilities for setting up a hybrid (wind and solar) renewable energy project. As per the provisions of the E&S Policy, the Bank conducted a preliminary desk-based assessment to determine the potential adverse environmental and/or social impacts arising from business activities of the Project.

Environmental & Social Due Diligence (E&S DD) was conducted by an independent E&S Consultant for both the wind and solar components of project.

For the solar component of the project, the E&S DD assessment identified environmental monitoring and biodiversity conservation as key areas for improvement. Environmental monitoring has been conducted by the borrower at the site for parameters such as ambient air quality, ambient noise, drinking water quality etc. to assess adverse impacts on the local environment. All the relevant parameters were observed to be within the prescribed levels. Awareness training on conservation measures of local species has been initiated at the site. Carcass monitoring is also being conducted at the site on regular intervals. The data collated during the monitoring is documented and shall be evaluated to assess requirements of appropriate mitigation measures to protect the local species.

The key recommendations of the ESAP enclosed in the E&S DD assessment report for the wind component of the project included improvement to the on-site health and safety practices, labour management and implementation of the bio-diversity management plan. The Bank along with other project lenders are in discussion with the Borrower on the compliance measures implemented for mitigating above mentioned aspects.



SUSTAINABLE FINANCE

Sustainable finance mechanisms

Given the large quantum of finances required to drive the sustainable development agenda, a number of new financial mechanisms such as green bonds and sustainability bonds have emerged globally that channelise finance to sustainable outcomes. Global green bond issuances increased by 15% to USD 587.6 billion in 2023*. India also joined a handful of countries to launch its first sovereign green bonds, raising ₹ 16,000 crore (USD 2 billion) through two issuances. Backed by such innovative mechanisms, the global sustainable finance market is expected to grow from USD 3.6 trillion in 2021 to USD 23 trillion by 2031.

YES BANK's Green Bonds

YES BANK has always been at the forefront of identifying and capitalising on sustainable finance opportunities. The Bank kickstarted the green bond market in India, by issuing India's maiden green bond 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 1,117 ktCO₂e in total, with attributable avoidance of 309 ktCO₂e.

Green Fixed Deposits

The Bank is committed to drive much-needed finances towards green sectors and contribute to achieving India's net zero target. In 2018, the Bank launched India's first-ever green deposit product whereby equivalent proceeds raised through green fixed deposits, were earmarked towards SDG-aligned sectors. In the line with the new extant guidelines issued by RBI on its Framework for acceptance of Green Deposits, the Bank has put in place a Board-approved Green Deposit Policy and Financing Framework and is in the process of rolling out its Green Deposit programme.

**Source: Climate Bonds Initiative [cbi_sotm23_02h.pdf](#) ([climatebonds.net](#))*



Mobilising finance towards climate-aligned sectors

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 needed 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 become net zero. The financial sector led by banks can support this transition by redirecting finances from climate-negative sectors like coal, and channelise them to climate-aligned, low-carbon activities. YES BANK is focussed on estimating its financed emissions from carbon-intensive sectors and developing sectoral targets for decarbonisation in line with global best practices. In FY 2021-22, the Bank became the first in its sector to measure and report financed emissions of its fund-based electricity generation portfolio and develop targets to reduce its financed emission intensity, dovetailing them into a targeted mix for its non-renewable energy and renewable energy portfolio. Additionally, the Bank continues to support climate-aligned sectors like renewable energy and electric vehicles and develop targeted products for green financing such as its loans for rooftop solar for MSMEs.

Clean and renewable energy lending

In FY 2023-24, YES BANK sanctioned debt facilities of ₹ 3,819 crore for supporting renewable energy projects including solar, wind, hybrid projects of around 637 MW, and power transmission, Invt, and smart metering projects. YES BANK continues to offer innovative and responsible solutions to the power industry and support the country's transition to a net zero carbon emission by 2070 through its business activities.

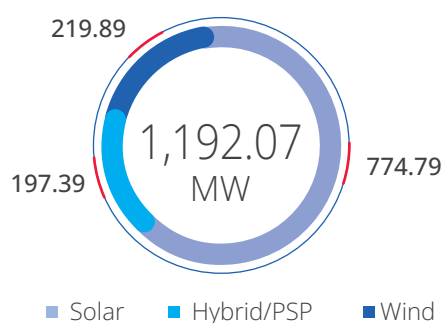
The Bank has continued to channelise its efforts in meeting the country's sustainability goals by sanctioning debt facilities amounting to ₹ 39,469 crore, towards ~7.90 GW since 2015. Projects underwritten by the Bank have found a healthy appetite in the financing market with a significant portion of projects being successfully downsold/ refinanced. The Bank continues to have a positive outlook on the renewable and transmission sector and is now exploring growth in smart metering as well as domestic solar module manufacturing/assembly space.

As at March 31, 2024, the Bank's lending book size for renewable energy generation stood at ~₹ 2,110 crore with corporate advances representing ~97.26%.

Avoided emissions

Through its financing of renewable energy, YES BANK 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, 2024) would lead to attributable electricity generation of 662 GWh and attributable avoidance of 619 ktCO₂e, annually.

Overall Clean Energy Portfolio as at March 31, 2024 (MW)*



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



SUSTAINABLE FINANCE

CASE STUDIES

Solar Module Manufacturing

In the quest for greater supply chain independence and to promote the Make-in-India initiative, solar industry in India is witnessing a shift towards local manufacturing. As India aims to achieve renewable energy capacity of 500 GW, rapidly growing solar industry will play vital role. Government of India initiated various schemes including the Approved List of Models and Manufacturers (ALMM) guidelines and the Production Linked Incentive (PLI) Scheme to boost the domestic module manufacturing ecosystem and to cater to increasing demands of both domestic and international solar power developers.

In order to support India's objective of becoming the next manufacturing hub of solar modules and panels, YES BANK has been evaluating sanction of credit facilities for setup of solar module facilities. As part of the endeavour, YBL evaluated a proposal wherein the Company intended to increase its production facility's capacity and was selected as a successful bidder under the Government of India's PLI scheme for domestic solar PV module manufacturing capacity. Borrower is amongst the country's largest module manufacturers and is having a strong order book. The debt requirement for the Project was proposed to be funded by a consortium of lenders.

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.

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 2023-24, the Bank's book size towards EV financing stood at ₹ 139.29 crore.

Advocacy and knowledge-sharing on climate and sustainable finance

Identifying opportunities for sustainable finance, developing suitable products and mechanisms, mainstreaming the integration of ESG into financial system and channelising finance towards sustainable outcomes requires a collaborative approach. YES BANK regards the emergence of sustainable finance as a tremendous opportunity for financial institutions to play a central role in shaping a new-age, sustainable economy. The Bank continues to work with stakeholders across the spectrum to develop frameworks and methodologies for addressing climate impacts and to build and share knowledge on sustainable financing opportunities.

Sustainable Agriculture

The Bank's Food and Agri Strategic Advisory and Research (FASAR) unit houses industry specialists with sectoral knowledge and experience in the food and agriculture

domain. In FY 2023-24, FASAR took up 40 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. In FY 2023-24, FASAR partnered with various government organisations as well as eminent industry forums to conduct various national as well as international conferences that focussed on propagating information and knowledge that contribute to sustainable development of India's food & agriculture sectors.

- Associated with the Agricultural and Processed Food Products Export Development Authority (APEDA) as a knowledge partner for the International Conclave Cum Buyer-Seller Meet for Boosting Organic Exports from Uttarakhand. A knowledge report titled "Boosting Organic Agricultural Exports from the State of Uttarakhand" was released by the Hon'ble Minister of Agriculture, Government of Uttarakhand

KEY FORUMS AND MEMBERSHIPS

UNEP FI

YES BANK is the first Indian signatory to the United Nations Environment Programme Finance Initiative. The Bank along with 32 global Banks and UNEP FI, founded the UNEP 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

UNEP FI PRINCIPLES FOR RESPONSIBLE BANKING

YES BANK continues to be the only Indian founding signatory to the Principles for Responsible Banking (PRB), amongst 230 global Banks and commit to aligning its business to objectives of the Paris Agreement and UN Sustainable Development Goals. For more information on the Bank's progress on its PRB commitments, refer → page 204

ICAI

The Bank has been a Special Invitee on ICAI's Sustainability Reporting Standards Board, since 2022-23

Indian Banks' Association (IBA)

YES BANK is a Member of IBA's Standing Committee on Environmental, Social and Governance

THE FEDERATION OF INDIAN CHAMBERS OF COMMERCE & INDUSTRY (FICCI)

The Bank is a Member of the Task Force on ESG and Green Financing, as part of the 'Financial Services Working Group' of the India Chapter of BRICS Business Council (BBC), convened by FICCI



SUSTAINABLE FINANCE

- Collaborated with FICCI, as a knowledge partner for the “Sustainable Agriculture Summit and Awards Programme 2023”, where 24 organisations were recognised for their stellar efforts in promoting sustainable agriculture development. A YES BANK-FICCI knowledge report titled “Sustainable Agriculture for Climate Action: Unveiling the Role of Carbon Markets” was released during the event
- Collaborated as knowledge partner for the National Conference on “India – An Emerging Global Food Hub” organised by CropLife India. A report titled “Towards a Food Secure Future - The Pivotal Role of Crop Protection Solutions in Boosting Sustainable Growth of Indian Agriculture” was released during the event
- Associated with the Soybean Processors Association of India, as a knowledge partner, for the International Soya Conclave 2023. A white paper titled “Harnessing the potential of India’s Soybean Sector for Nutritional Security and Sustainable Agriculture Development” was released by the Honorable Minister of State for Agriculture and Farmers Welfare, Government of India, during the event
- Collaborated with the Indian Micro Fertilizers Manufacturers Association, as a knowledge partner for the 4th National Crop Nutrition Summit organised in Mumbai. A knowledge report titled “Micronutrients: Powering Agricultural Prosperity in India”, was released during the inaugural session of the event

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. CGA is working closely with several state governments in policy development, implementation, project structuring and investment promotion regarding their clean mobility plans. These include EV policies/ investor outreach & strategic support for various states. CGA has also supported several state departments in developing EV Charging Infrastructure roadmaps and procurement of electric buses. Further, CGA has leveraged its expertise and strong ecosystem connects to provide inputs for Central Government schemes such as Ministry of Heavy Industries’ Faster Adoption & Manufacturing of Electric Vehicles (FAME). CGA has also engaged with over 30+ smart cities through various advisory, banking and implementation support for project development. In FY 2023-24, CGA continued to partner with various governments and industry partners on a number of sustainability-linked initiatives.

- Collaborated with FICCI in a ‘Roundtable on Electric Mobility’, and release a ‘FICCI-YES BANK Report on India@2047: E-mobility’ - identifying policy, industry and company-level roadmaps to unlock the potential of the e-mobility sector by 2047
- Provided advisory support for six smart cities in availing grants under City Investments To Innovate, Integrate and Sustain (CITIIS) 2.0 for setting up solid waste management projects
- Provided advisory support to UT Administration in availing E-Buses under the ‘PM-eBus Sewa Scheme’
- Provided advisory on the e-mobility and advanced automotive components market for automotive component manufacturers and battery value chain players

Social financing

In addition to climate finance, YES BANK is also committed to contributing to India's other developmental goals by channelising finances to support critical sectors such as Small and medium-sized enterprises (SMEs).

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 ₹ 31,294 crore in disbursement to the SME segment in FY 2023-24. The Bank continues to develop targeted green financing products for SMEs including offering loans to SMEs for the adoption of solar panels (including roof top), 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, 2024, the Bank's SME financing advances stood at ₹ 35,327 crore.

Affordable Housing

Affordable housing is a critical sector to enable India's socio-economic development. To address the grave shortage in affordable housing, 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 are 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, amongst others, who may not have formal income documents and instead receive income/salary in cash. As at March 31, 2024, the Bank's Khushi (Affordable) Home loans portfolio stood at ~ ₹ 6,310 crore and nearly 45,927 customers have been extended loans under the Bank's affordable housing loan programme.





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 UNEP FI 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.

To understand and take into account India's environmental, social, and economic context, in which the Bank operates, Bank has utilised the tool to 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
 Climate Change	Paris Agreement, India's NDCs	Portfolio alignment with well below 2 degree scenario, striving for 1.5 degree scenario	Bank has measured financed emission of electricity generation portfolio and has developed targets (base year FY 2021-22) for reducing the sectoral emission intensity in line with the ambition	Emission intensity of electricity generation portfolio in FY 2023-24 decreased by ~24% from base year of FY 2021-22 (For further details please refer 'Financed emission and portfolio targets' segment in the report)
 Financial inclusion	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: - To realise 20% Year on Year (Y-O-Y) increase in number of women beneficiaries till FY 2025-26 from 7.6 lakh women beneficiary in FY 2022-23 - To achieve 25% Year on Year (Y-O-Y) increase in annual disbursements to Women microfinance borrowers till FY 2025-26 on a baseline of ₹ 1,495 crore in FY 2022-23	In FY 2023-24, Bank has been able to reach out to 6.56 lakh women beneficiaries leading to a degrowth of ~14% in number of women beneficiary from the baseline of FY 2022-23. In FY 2023-24, overall disbursement to women beneficiary has increased, with Bank's lending totalling to ₹ 1,781 crore (~20% higher compared to base year FY 2022-23). During the year, the loan origination system for microfinance has undergone transition to adhere to revised regulatory guidelines. The technological transition has led to system constraints impacting the business-as-usual scenario, including client accretion and retention resulting in lower than expected women beneficiary and corresponding disbursement. Bank intends to achieve the shortfall in target and increase its disbursement portfolio and beneficiaries by empanelling new Business Correspondent (BC) partners to boost its presence in the segment for expansion and penetrate further into untapped geographies of the domestic market along with the introduction to new improved loan origination system.



Management Discussion and Analysis



Executive Summary

MACROECONOMIC AND INDUSTRY OVERVIEW

Despite having witnessed geopolitical tensions and tightening of the monetary policy stance by majority of the central banks, the global economy remained resilient in CY 2023/FY 2023-24. Prompt actions undertaken by the regulatory authorities helped mitigate potential risks to the financial sector that emanated from the deteriorating health of select banks in the United States and Europe.

Elevated interest rates in the world's major economies led to inflation falling faster-than-expected from its 2022 peak. Oil prices displayed some moderation in the first half of FY 2023-24 which was followed by some upward bias owing to geo-political tensions, extension and deepening of production cuts by OPEC (Oil Producing and Exporting Countries), US government's announcement to replenish its Strategic Petroleum Reserve. Rising trade barriers, increased sanctions, technology decoupling and migration restrictions were some other highlights of the fiscal.

While the global economy demonstrated broad resilience, significant growth divergences were observed across various economies. According to the International Monetary Fund (IMF), global GDP grew ~3.2% in CY 2023. Advanced Economies grew by ~1.6%, compared to ~4.3% growth in Emerging Markets and Developing Economies.

Going ahead, last-mile efforts to bring the inflation down to target levels is likely to pose further challenges. IMF doesn't expect most major economies to reach their targeted growth levels before CY 2025. Amidst this backdrop, IMF expects the global economy to deliver a growth rate of ~3.2% in CY 2024, similar to that in CY 2023. Growth rate of Advanced Economies is expected at ~1.7%, while on the other hand, emerging market economies are expected to grow by ~4.2%.

On the domestic front, the Indian economy remained one of the fastest growing economies of the world and continued to exhibit strong macroeconomic fundamentals.

Key Economic Indicators: Pointing to a robust economy

Index of Industrial Production (IIP)	5.7%
Manufacturing PMI	59.1
Services PMI	61.2
Passenger Vehicle and Sales	Up 8.4%
Two-Wheeler Sales	Up 13.3%
GST Collection	₹ 178.5 lakh crore up 11.5% Y-O-Y
Volume of UPI transactions	131.2 billion transactions, up 56.6% Y-O-Y

While urban demand remained relatively robust throughout the fiscal, the rural sector too displayed signs of recovery in the year's latter half. Capex spending by the central and state governments played a critical role in driving and sustaining the growth momentum.

Headline CPI inflation remained below 5% in Q1-FY 2023-24 before it peaked to the level of 7.4% in July 2024. However, inflation containment measures undertaken by the government and the Reserve Bank of India (RBI) resulted in bringing down of Headline CPI inflation in the second half, averaging at ~4.9% for FY 2023-24.

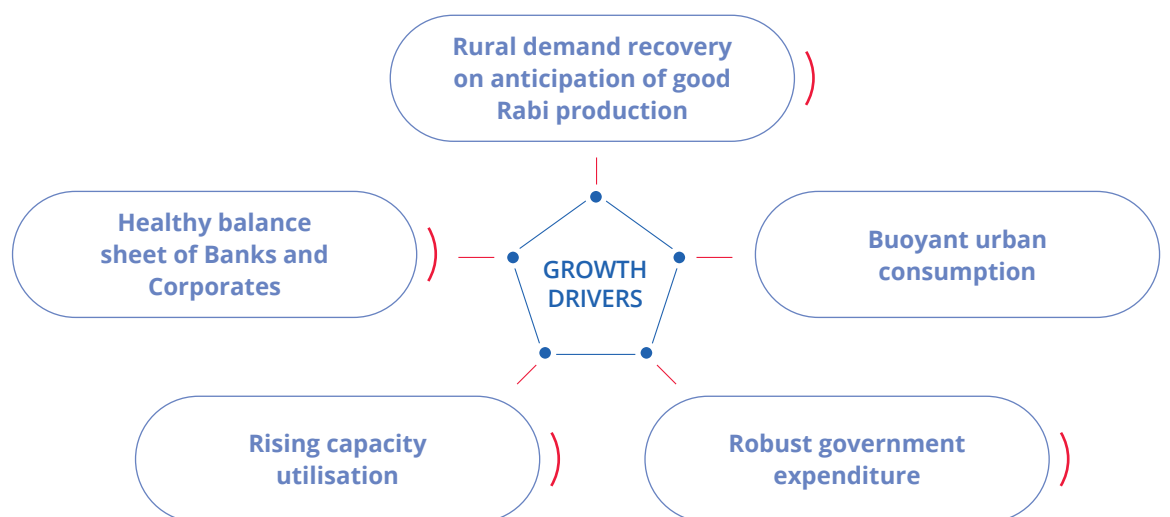
RBI remains committed to further bring inflation down to 4% levels, and therefore, kept policy rate unchanged at 6.5%, and maintained its stance of "withdrawal of accommodation".

Further measures such as Incremental Cash Reserve Ratio (I-CRR), Variable Rate Reverse Repo (VRRR) and Variable Repo Rate (VRR) auctions were also undertaken to balance the system-wide liquidity during the year. Core inflation, on the other hand, averaged at ~4.4% in FY 2023-24, drifting from 5.3% in April 2023 to 3.3% by March 2024.

The Indian banking system continued to be resilient as evidenced through the findings of RBI's Financial Stability Report (Dec'23) with Scheduled Commercial Banks' (SCBs) Capital-to-Risk Assets Ratio (CRAR) remaining at 16.8%, Gross Non-Performing Assets (GNPA) ratio falling to a multi-year low of 3.2%, and Net Non-Performing Assets (NNPA) ratio to 0.8% as on September 30, 2023, even while the Provisioning Coverage Ratio (PCR) steadily increased to 75.3%. RBI's stress test results revealed that SCBs are well-capitalised and capable of absorbing macro-economic shocks, even with no further capital infusion.

With growth conditions being resilient, RBI continues to remain focussed on bringing down inflation to a target of 4% on a durable basis. RBI projects Headline CPI inflation to be below 4% in Q2-FY25, before rising again.

Growth drivers for economic growth in India

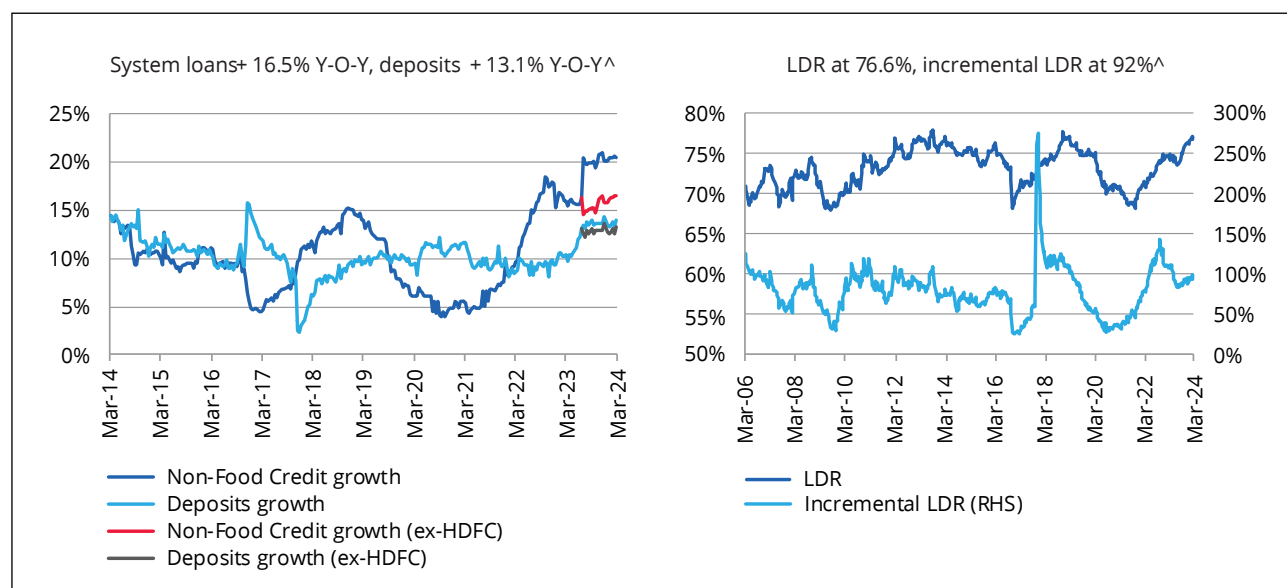




The central bank remains optimistic on domestic growth, and projects India's FY 2024-25 GDP to grow by 7%, aided by rural demand recovery, buoyant urban consumption, and such other factors. However, external headwinds including protracted geopolitical tensions and trade disruptions could pose risk to domestic growth. As per the official estimates from the government, India's GDP is stood at 8.2% in FY 2023-24, compared with 7.0% in the earlier fiscal year of FY 2022-23. During the year, the credit needs of the economy's productive sectors were comfortably met by the banking sector.

Credit demand in FY 2023-24 (As per Weekly Statistics Report of RBI)

Item	Actuals	Growth
Aggregate deposits of SCBs	₹ 203.7 lakh crore (excluding HDFC and HDFC Bank merger impact)	Up 12.9% Y-O-Y
Non-food credit (NFC)	₹ 159.0 lakh crore	Up 16.3% Y-O-Y
Outstanding NFC	₹ 164.3 lakh crore	Up 20.2% Y-O-Y



[excluding HDFC and HDFC Bank merger impact]

[Source : RBI, Industry Reports, Data is based on RBI Weekly Statistical Supplement as at March 08, 2024]

NFC growth healthy at >16% Y-O-Y	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
Non-food Credit	15.4	16.1	15.6	16.3	14.8	15.0	15.3	15.2	16.3	15.8	16.2	16.5	16.3
Agri & Allied Activities	15.4	16.7	16.0	19.7	16.8	16.6	16.8	17.5	18.2	19.5	20.1	20.1	20.1
Industry	5.6	7.0	6.0	8.1	5.2	6.1	6.5	5.4	6.1	8.1	7.8	8.6	8.5
Services	19.6	21.6	21.4	26.7	19.4	20.7	21.3	20.1	21.9	19.6	20.7	21.2	20.2
Personal Loans	21.0	19.4	19.2	20.9	18.0	18.3	18.2	18.0	18.6	17.7	18.4	18.1	17.7

[Source : RBI, Industry Reports]

External sector resilience has been a key contributing factor in improved domestic macroeconomic stability. Strong services exports and remittances have been crucial in providing stability to Current Account Deficit (CAD). Importantly, services exports remained resilient amidst the global slowdown fears with the increasing contribution from non-software exports.

The trade gap improved slightly in FY 2023-24 vis-à-vis FY 2022-23 even as moderation was witnessed in both exports and imports. Consequent to the above trends, the ratio of CAD as a percentage of GDP is expected to improve to 0.7% in FY 2023-24, from 2.0% in FY 2022-23. Further, capital flows remained robust, with inflows from Foreign Direct Investments (FDI) increasingly being determined by geopolitical alignments and inward-looking strategies of various economies. Thus, inward FDI declined by 3.6% between April 2023 and January 2024, compared to the corresponding period in the previous year. However, External Commercial Borrowing (ECB) registrations and disbursements improved during

the same period. Net Foreign Portfolio Investment (FPI) inflows stood at USD 57.6 billion in FY 2023-24. The pace of FPI investments picked up significantly on the debt side following the announcement of India being included in JP Morgan's widely tracked Government Bond Index-Emerging Markets.

Uncertainties in the global monetary policy dynamics associated with the resilience of the US economy and relative growth paths of the Advanced Economies (AEs) led to wide moves in the U.S. Dollar Index (DXY). In July 2023, DXY touched a low of 99.7, but swiftly turned around to peak at around 107 by early October. Thereafter, it again moved down to around 101 by late-December 2023 before finishing the year at 104.60. However, USD/INR experienced a ranged move, and tended to be on an appreciation mode in the last quarter of FY 2023-24. Consequently, it moved in a narrow range of 81.76-83.40 during the year. By the end of April 2024, foreign exchange (FX) reserves were at a healthy ~USD 638 billion.

RETAIL BANKING

The Retail business in India's banking sector witnessed robust growth during the year with system-wide share of retail loans (personal loans) at 32.4%, which increased 17.7% Y-O-Y (excluding HDFC and HDFC Bank merger impact).

Retail (Y-O-Y growth %)	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
Credit Card Outstanding	32.5	29.7	29.9	36.0	31.2	30.0	29.9	28.0	34.2	32.6	31.3	31.0	25.6
Education	17.1	18.0	18.3	19.4	19.9	20.2	20.8	20.6	22.8	21.9	22.9	23.4	23.3
Other Personal Loans	26.7	24.0	23.2	26.1	24.2	23.2	22.7	22.3	21.7	20.5	21.0	19.7	18.7
Housing (incl. Priority Sector Housing)	15.2	14.3	14.6	15.0	13.1	13.8	13.8	14.5	15.0	14.4	16.7	16.7	17.4
Vehicle Loans	24.8	23.1	22.2	22.9	21.2	20.6	21.2	20.0	20.8	20.5	16.3	17.5	17.3
Loans against gold Jewellery	19.7	20.4	22.1	26.0	23.1	22.1	20.1	17.3	18.5	18.6	17.4	15.4	14.9
Total	21.0	19.4	19.2	20.9	18.4	18.3	18.2	18.0	18.6	17.7	18.4	18.1	17.7

[Source : RBI, Industry reports]



The Bank performed well across deposits and retail asset products and continued to provide personalised banking solutions.

The share of YES BANK's Retail Advances remained at the same level as in FY 2022-23, at 46% (45% in FY 2022-23), while the share of Retail and Branch banking deposits stood at ~ 53% of total deposits. The Bank remained focussed on improving the profitability of its Retail business.

Branch Banking

YES BANK offers a comprehensive suite of liability and asset products to its customers under Branch Banking. The strategic focus of Branch Banking vertical remained on affluent and mass affluent customers, as well as on SMEs in the metro cities and urban markets.

Overall, growth in Liability Deposits was 22%, which was primarily driven by a robust growth registered in Retail and Branch Banking deposits.

Retail NTB (New-to-Bank) customer acquisition grew by 16% Y-O-Y, while NAV (New-Acquisition-Value) grew by 28% Y-O-Y.

Growth in the liability book was achieved in the backdrop of:

- system-wide significant liquidity tightening,
- sharp rise in interest rates, and
- heightened competitive intensity in deposits.

Branch Banking Fee income also registered a robust 55% growth during the year.

Significant step-up in Retail Assets offering penetration within the branch network resulted in internal sourcing touching 43% (Q4 FY 2023-24), up from <35% about 18-24

months ago. Credit card sourcing through Branch Banking also registered 22% growth Y-O-Y.

During FY 2023-24, YES BANK added 85 new branches and expanded its geographical footprint to 1,234 branches and 219 Business Correspondent Banking Outlets (BCBOs) spread across 700+ locations, with 1,290 ATMs and Bunch Note Acceptor/Recycler.

Spectrum Banking

Spectrum Banking is the Bank's new-age channel that manages the entire customer life cycle across the entire suite of retail products through virtual modes of telephony, chat and email. During the year, this channel engaged with 25+ lakh customers.

Spectrum Banking manages:

(Customer lifecycle)

- Acquisition
- Onboarding
- Relationship Management
- Customer Value Management
- Activation
- Retention
- Service

(Retail products)

- Liabilities
- Retail assets
- Business banking
- Credit cards
- Merchant
- Third-party products

In FY 2023-24, the channel of Spectrum Banking registered a significant growth of 45% in new liability and credit card customer acquisition. Similar growth was registered in Retail Assets and Credit Card term disbursements.

Digital Banking

Digital Payment System

	Yearly						Monthly (Cumulative)													
	FY19	FY20	FY21	FY22	FY23	FY24	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	
No. of Banks Live on UPI	142	148	216	314	399	572	399	414	445	458	473	484	492	505	516	522	550	560	572	
Value of Transactions (₹ Bn)																				
UPI	1,335	2,065	5,049	9,606	14,104	19,784	14,104	14,070	14,891	14,755	15,336	15,765	15,791	17,158	17,397	18,229	18,411	18,279	19,784	
Debit	530	476	668	641	533	447	533	546	528	510	533	527	469	521	494	479	455	415	447	
Credit	577	507	724	1,071	1,373	345	1,373	1,328	1,407	1,372	1,447	1,486	1,423	1,786	1,606	1,651	1,664	312	345	
Volume of Transactions (Mn)																				
UPI																				
Debit	408	363	381	328	237	159	237	230	224	210	210	208	184	191	177	177	165	152	159	
Credit	162	165	189	224	263	344	263	259	273	263	277	291	274	320	297	321	329	311	344	
Card Statistics (Mn)																				
No. of Debit Cards	924.6	828.6	898.2	917.7	961.3	964.9	961.3	967.0	973.9	975.8	970.7	978.1	966.8	980.2	979.1	960.9	957.6	960.7	964.9	
No. of Credit Cards	47.1	57.7	62.0	73.6	85.3	101.8	85.3	86.5	87.7	88.7	89.9	91.3	93.0	94.7	96.0	97.9	99.5	100.6	101.8	

[Source : RBI, Industry Reports]

YES BANK continues to invest in new-age digital technologies to offer superior customer experience.

The Bank has digital journeys for seamless customer acquisition, servicing and cross-sell in place for retail customers. Today 96% of all eligible savings accounts and 90% of eligible individual and sole proprietor current accounts are onboarded through the digital mode. The Bank has implemented comprehensive digital onboarding journey for Individual, Sole Proprietors, Companies and LLPs for current accounts with an industry first, data backed product recommender to Auto fetch profile information from GST for KYC validation and right product recommendation in real time for new-to-bank current account.

Further, digital co-origination has been enabled across Current and Savings account onboarding, such as co-sourcing of 3-in-1 (demat and trading) account, along with savings account, co-origination of Savings Account with Current Account for sole proprietors in a single journey.

The Bank has enabled self-onboarding (DIY) with video KYC with end-to-end STP journey for digital Savings and Individual Current Account opening, as well as digital journey for government schemes like APY and PMJDY.

There are 95 unique service journeys available on various digital applications of the Bank:

- "iris by YES BANK"-Bank's newest digital app (59 services)
- YES Online (77 services)
- YES Robot (43 services)
- WhatsApp Banking (31 services)

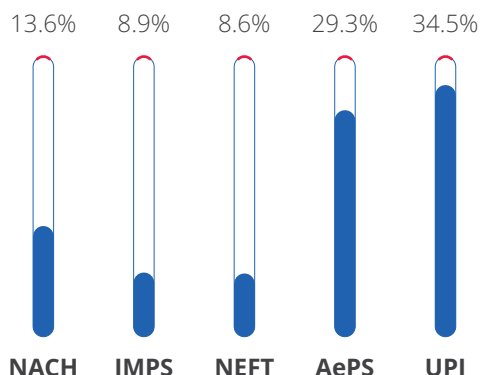
End-to-end digital customer journeys across DIY / assisted modes available for:

- Fixed Deposit
- Recurring Deposit
- Credit Card
- Wealth Management (Mutual Funds, Investment Accounts, Sovereign Gold Bonds)
- Insurance
- IPOs
- Card Upgrades
- Quick Loans
- Tax Payments
- 3-in-1 Trading Account
- Government schemes like Atal Pension Yojna, PM JJBY and PM SBY

To augment its offerings, the Bank continues to partner with various FinTechs and corporates. The Bank continues to be a leading player in new-age digital payments, including UPI, AePS, NEFT, IMPS and NACH at 34.5%, 29.3%, 8.6%, 8.9% and 13.6% market share, respectively. YES BANK processes nearly every 3rd digital payment transaction in the country, which hovers between 12-14 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.



A leading player in new-age digital payments



Over the decade-long journey of YES Money, the Bank has onboarded over 9 lakh outlets which have been aiding customers with simple banking transactions, including domestic money transfer and Aadhaar-based cash withdrawals.

During the year, the Bank launched solutions around new Payment Aggregator and Payment Gateway Guidelines (PAPG Guidelines), which limits only the payment aggregator (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 a PA (i.e. BAPA), 50 partners went live, and transactions valued over ₹ 19,000 crore were processed.

Programmes

YES Private

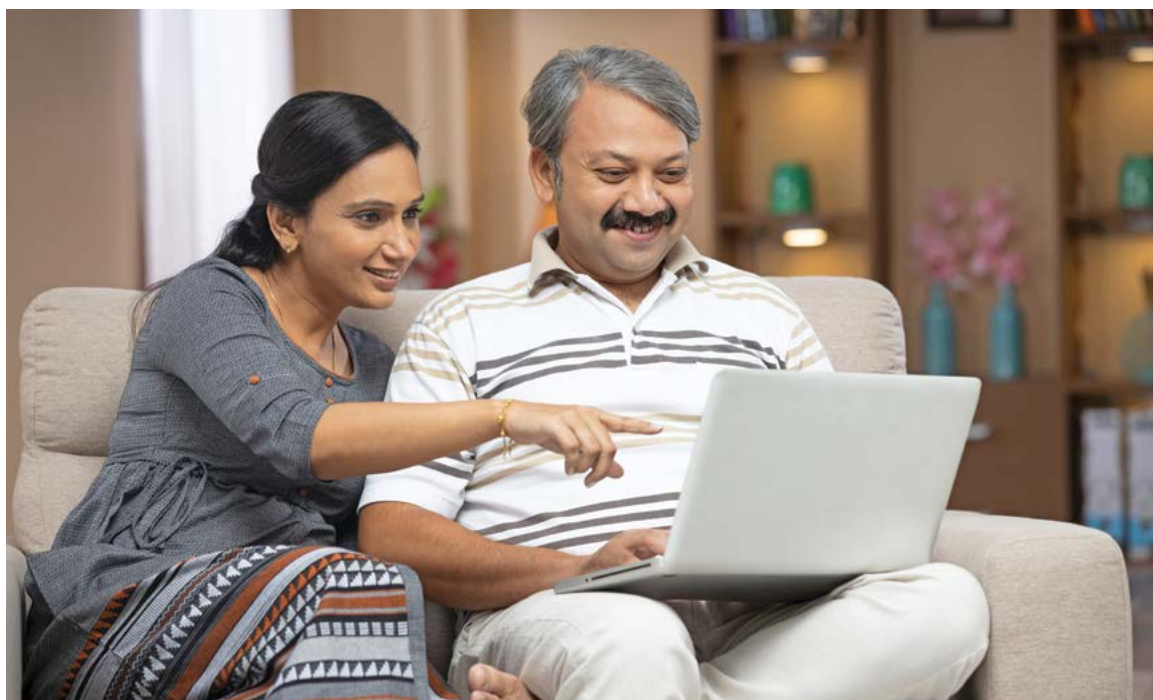
YES Private is the Bank's full-stack banking solution client programme curated especially for Ultra High Net Worth Individuals (UHNIs). The programme is designed to offer a full suite of banking and enterprise solutions for the clients' business, wealth management, succession planning and lifestyle needs through a team of relationship and product specialists.

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

Curated client engagement at marquee events across diverse lifestyle interests, numerous benefits embedded through the World Elite Debit Card are some of the new initiatives under the programme.

40%

Growth in customer base in YES Private



YES First and YES First Business

YES First and YES First Business are the Bank's flagship wealth management and business banking programmes curated for HNIs for their personal and business banking needs. These specialised programmes are imbued with a comprehensive customer-centric approach and offer curated product offerings and services, coupled with a host of lifestyle benefits, to provide a delightful experience to our customers. The portfolio makes significant contribution to Retail and Branch Banking Liabilities and Fees. This programme is further enriched by the implementation of RM Connect, which is a single phone number connecting customers to their RMs seamlessly.

Our Offerings

- 1) Banking solutions for personal and business needs
- 2) Wealth Management
- 3) Exquisite lifestyle benefits

3+ lakh

No. of customers in YES First and YES First Business portfolio

YES Premia

YES Premia offers segmented solutions to the mass affluent segment with an emphasis on making banking seamless and enjoyable for our customers. The programme has been carefully curated to provide banking solutions complementing the lifestyles and expectations of varied customer segments.

Four Pillars of YES Premia

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

23%

Increase in customer base of YES Premia

YES Prosperity

YES Prosperity is the Bank's mass retail programme, offering services for customers' individual banking needs. This is a feature-packed exclusive segmented savings account proposition to improve granular deposits from segments like salaried, senior citizens, women and regular customers of the Bank. Furthermore, for its business clients, it offers current account variants such as Edge Business, Prime Business and Exclusive Business. This is 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.

Variants offered to Current Account customers

- Edge Business
- Prime Business
- Exclusive Business

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 unified for the family.

YES Family enables customers to care for the financial and overall well-being of every person in the family. The offering is available across YES Private, YES First, YES Premia and YES Prosperity programme.

NRI Banking

The NRI Banking programme is a power-packed customised offering that provides multiple avenues for Non-Resident Indians (NRIs). It helps the NRIs 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.

19%

Growth in NR Liabilities



Comprehensive and superior experiential banking services for NRIs and Persons of Indian Origin (PIOs):

Banking services

Deposits, Portfolio Investment Scheme (PIS), remittances and wealth management products along with best-in-class NRI FX rates

Liability product suite

Savings, fixed and recurring deposit offerings denominated in INR, and fixed deposits in eight foreign currencies

Wealth enhancement and safety goals

Investment and insurance solutions for NRIs and their families in India

International Financial Services Centre (IFSC) Banking Unit (IBU)

Added AED and SGD currencies; now offering savings account and term deposits at IBU in five currencies

Debit Cards

YES BANK offers a complete suite of Debit Card variants across all three networks, Mastercard, Visa and RuPay. The Bank has card variants across all segments of its customers including Mass-affluent, Affluent, Private, and also for segmented offerings such as Women, Salaried Individuals, and NRIs, among others. These Debit Cards are designed and customised to meet the specific needs of its flagship customers in Yes Private, YES First, YES Premia and YES Prosperity.

Unique benefits across categories:

- Reward points on spends
- Complimentary lounge access and golf lessons (on select Debit Cards)
- Exciting offers on retail categories such as entertainment and groceries
- Insurance cover across purchase protection, accidental insurance and lost card liability

During the year, the Bank launched two new upgrade cards targeted at its retail customers with higher embedded card features, such as airport lounge access and movie ticket offers.

14.8 lakh

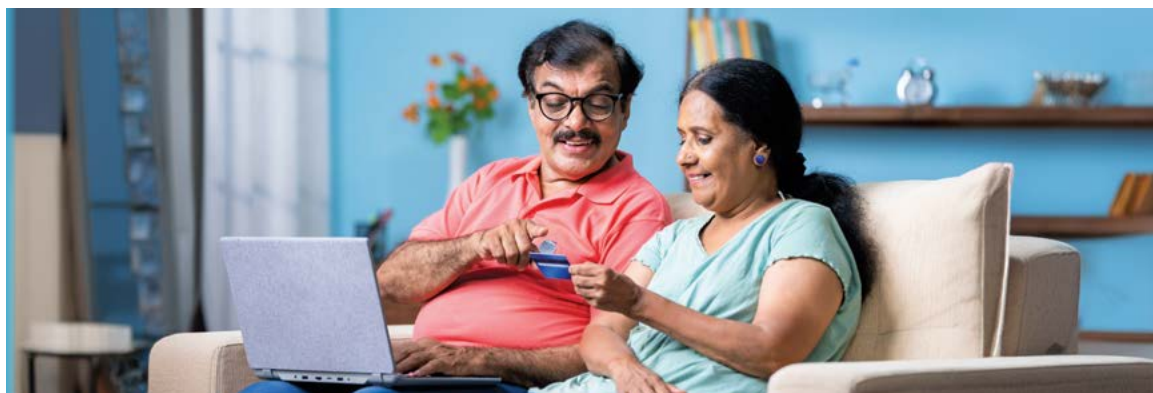
Debit Cards added in FY 2023-24

48.3 lakh

Current Debit Card Base

Easing customers' usage of Debit Cards:

- Easy access to cards on iris by YES BANK and Internet Banking, helping them manage card spends and control card security specific parameters
- Easy access to card settings and Debit Card services across WhatsApp Banking/BOT and a dedicated email ID for blocking/hot-listing cards in unforeseen situations
- Allowed to set Debit Card pin of their choice (green pin) across YES Online, iris by YES BANK and ATMs in order to promote paper-less banking



Credit Cards

YES BANK's Credit Card department is well established for prioritising customer satisfaction, offering a diverse product portfolio, a robust distribution approach and exceptional customer service, well supported by strong risk management systems. The Bank's current credit card portfolio consists of 25 products tailored for consumers, small and medium-sized enterprise (SME) and commercial segments.

21.2 lakh

Credit cards added
in FY 2023-24

2 million

Number of live
credit cards

57%

Y-O-Y Number in
outstanding balance

56%

Y-O-Y growth in
credit card spends

During the year, the Bank launched "UPI facility on RuPay Credit Cards". This is a novel concept that offers a unique and engaging proposition to its customers to conduct UPI transactions on their Credit Cards. Since its launch, the Bank has issued more than 4 lakh UPI-enabled Credit Cards to capitalise on this opportunity.

The Bank also launched the MARQUEE Credit Card, a premium card with several benchmark features to further strengthen its positioning in the Ultra HNI segment.

10%

Share of Commercial
Credit Cards in total
Credit Card spends

95%

New Credit
Card approvals
processed digitally

End-to-end digital journeys in Credit Cards:

- The Bank's entirely digital customer onboarding platform, coupled with a real-time credit card approval process and virtual card issuance (for eligible applicants), ensures that customers receive their Credit Card details within 10 minutes of submitting their application. Over 95% of new credit card approvals in March 2024 were processed digitally.
- The digital onboarding platform supports multiple formats such as DIY, Assisted, Bio-metric and Video KYC.
- The Bank also introduced a digital co-origination journey of Credit Card bundled with Savings Account, and is expected to contribute significantly to the Credit Card business.
- The digital strategy has resulted in almost 30% of post onboarding cross-sell business being processed through an end-to-end digital journey.

Retail Banking Assets

The Bank's customers can select from a wide range of retail loan products it offers. A diversified Retail Banking assets book across all products witnessed the share of Retail Advances increasing to 46.1% in FY 2023-24 vis-à-vis 45.5% in FY 2022-23.

Retail Banking products are offered at:

1,190 branches in **670+** locations

Retail Banking products offered under a single roof:

- Home loans
- Affordable home loans
- Car loans
 - Used car loans
 - Two-wheeler loans
 - Commercial vehicle loans
- Construction equipment loans
- Loans against securities
- Personal loans
- Secured business loans
- Health care finance
- Printing equipment finance
- Working capital finance



The Bank continued to focus on delivering profitable growth led by business-mix optimisation towards its higher yielding products. It has entered into preferred financing agreements with leading manufacturers of cars and commercial vehicles, and also with construction equipment, thereby enabling access to the wholesale and retail businesses of manufacturers and dealers across the country.

Key developments:

- **Enhancing digital capabilities:** The Bank has been enhancing its digital capabilities with additional products/offerings such as '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.
- **Investment in Salesforce:** With an eye on future retail-led growth ambitions and with 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.
- **Increasing digital onboarding:** During the year, digital loan onboarding powered by Salesforce was made live for Home Loan, Affordable Home Loan, Loan against Property and Personal Loans. This enabled the Bank to enhance new sanctions and disbursements, which stood increased at ₹ 40,800 crore as at March 31, 2024.

96.9%

Collection efficiency
in Q4-FY 2023-24

97.1%

Collection efficiency in
March 2024

Today, the Bank has a diversified retail asset book built around analytics-based collection scorecards, which augments performance of the field force and enhances collection cost efficiencies. The Bank has also invested in collections infrastructure such as New Collection System and additional Scorecards to further augment its collection efficiency.

Rural and Inclusive Banking

The Bank's Rural and Inclusive Banking division caters to the financial requirements of rural India through its basket of offerings that target the entire agri value chain and also serves the underserved and unserved sections of the

society. This division is also responsible for complying with the requirements of lending to the "Priority Sector".

The Rural and Inclusive Banking division encompasses three Business Units, as stated below:

a. Rural Banking Assets

This unit addresses the financial requirements of Indian farmers for crop production and ancillary activities through Kisan Credit Card Loans.

Key Offerings:

- Catering to specific needs of farmers across specialised agri clusters through flagship crop loan product under different variants
- Handling farm mechanisation needs of progressive farmers by financing purchase of tractors, harvesters and agri implements
- Financing of small business entities, self-employed professionals and entrepreneurs in rural areas for specific business requirements

Presence in **11** states
of India, with dedicated
manpower in these
geographies

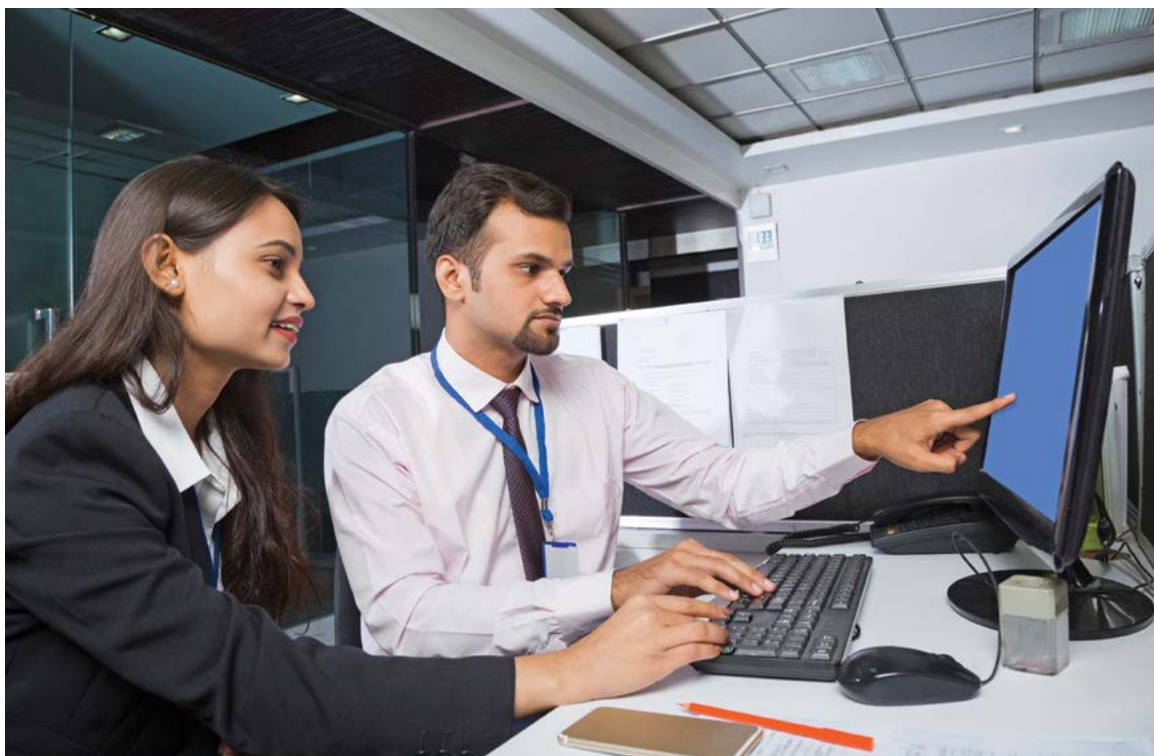
Loans offered to
63,000+ farmers
cumulatively

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.

Services & Offerings:

- **Retail Products:** Serving women at the bottom-of-the-pyramid, through distribution channel of Business Correspondents (BCs)
- **Wholesale Products:** Providing Term Loans to Micro-Finance Institutions (MFIs) for on-lending, cash management services and other banking and transactional requirements



Active customer base of **6.6 lakh** women

Made cumulative disbursement of **₹ 16,300+ crore**

Reached out to **34+ lakh** families (till date)

The Bank also offers optional insurance products which includes a customised loan cover life insurance product and a new tailored hospital cash product for the rural and semi urban segment. These products are aimed at helping them reduce out-of-pocket hospitalisation expenses during unfortunate times.

c. Agribusiness Product Management

Agribusiness Product Management (APM) is the Bank's specialised unit, 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.

Agri value chain financing: Key services

- The Bank has created a granular portfolio against the pledging of agri commodities, while ensuring adequate risk mitigation
- A specialised team closely monitors commodity pledge financing portfolio and mitigates inherent risks through mark-to-market of commodity prices and in-depth data analysis using various tools and techniques
- The end-to-end process is carried out on digital platforms to ensure faster customer service and superior experience

₹ 1,930 crore
Total Portfolio of
Commodity Pledge Finance
(As at March 31, 2024)



Merchant Acquiring Services

YES BANK is one of India's leading providers of Merchant Acquiring Services, with a best-in-class product suite, and backed by high service standards and a robust technological infrastructure. Merchant Acquiring Services cater to more than 1.8 lakh merchant establishments and currently deploy close to 44,000 payment acceptance devices on a quarterly basis. Bank has further enhanced digital onboarding capability or merchant's onboarding platform. Close to 80% of the current deployments are processed digitally.

Merchant relationships are managed by:

- Dedicated Relationship Officer:** Managing relationships in the field
- Virtual Relationship Officer:** Continuously working towards developing overall engagement

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 Bharat QR (BQR) / UPI payments like BQR Standee and BQR Soundbox. The Bank continues to invest in new products, enhanced services and advanced digital processes for Merchant Acquiring Business.

Key offerings of YES Biz+

(An App for merchants)

- Transaction Analysis
- Raise service request
- Apply for additional TID or Value-Added Services
- Accept transactions on the App

Fintech Partnerships¹

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 the Bank's relevant product and services.

During the year, the Bank partnered with a scaled player in the payment ecosystem as the PSP Payments Bank, reflecting the inherent strength in the Bank's capabilities and technology infrastructure. This partnership is expected to further aid our market share in the digital payment ecosystem, merchant acquisition, current account balances and transaction banking flow, thereby resulting in further improvement to the Fee Income.

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 commercial asset requirements through direct coverage in over 400+ branches. The team constitutes Relationship Managers and Product Specialists who are nuanced from the industry.

Delivering an unmatched one-stop service and addressing end-to-end of SMEs requirements through:



¹ GRI 2-6

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.

With the shift towards digital transactions, the Bank has curated a digital lending platform, especially for MSMEs, to sanction loans by data triangulation obtained with the consent of the borrower. This leads to faster decision-making and optimises effective cost.

E-Sign and E-Stamp facilities implemented

Helps support digital execution of loan agreements, leading to faster loan fulfilment and providing a seamless customer experience

Improving productivity and enhancing customer experience through Digital & Analytics solutions:

- Analytics-driven prospective client identification
- Digital Lending Platform
- Seamless customer approval experience
- Self-assist digital tools – SME App, Trade-On-Net, and FX Online, among others
- Robust Early Warning Signal (EWS) framework (early identification of incipient sickness and support frontline in remedial management)
- Faster renewal of the loan facility

Smart Trade/FX online

The Bank has robust expertise in trade and forex management, with a stringent focus on customer engagement to increase penetration on 'Smart Trade' application.



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. This is aimed at conducting banking knowledge events to create awareness about various schemes and banking products and provide easy and inclusive financial assistance, 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 and financing ecosystem players, such as manufacturers of solar components
- Offering financing for waste management, including setting up of Effluent Treatment Plants/Sewage Treatment Plants

**Secure platforms
for initiating
online trade/FX
transactions**

**Customers can
place a transaction
request**

**Request will
automatically flow
to the Bank for
digital processing**



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, serving the below segments:

- Large Corporates
- Mid-Corporates
- Indian Financial Institutions
- International Banking
- Government Banking
- Multinational Corporates

The Bank's Wholesale Banking strategy is to build scale and positioning through new client acquisition, up-tiering proposition and cross-selling to cater to the evolving needs of the customers, with a laser focus on Risks & Returns.

Offering comprehensive client-focussed services across:

- Working Capital Finance
- Term Loans
- Project Finance
- Transaction Banking Products
- Trade Finance
- Cash Management Services

- Supply Chain Finance
- Debt Capital Markets, Treasury Services (Foreign Exchange Risk Management)
- Foreign Currency Loans including ECBs
- Overseas Financing (via IFSC Banking Unit in GIFT City), and
- Liquidity Management Solutions

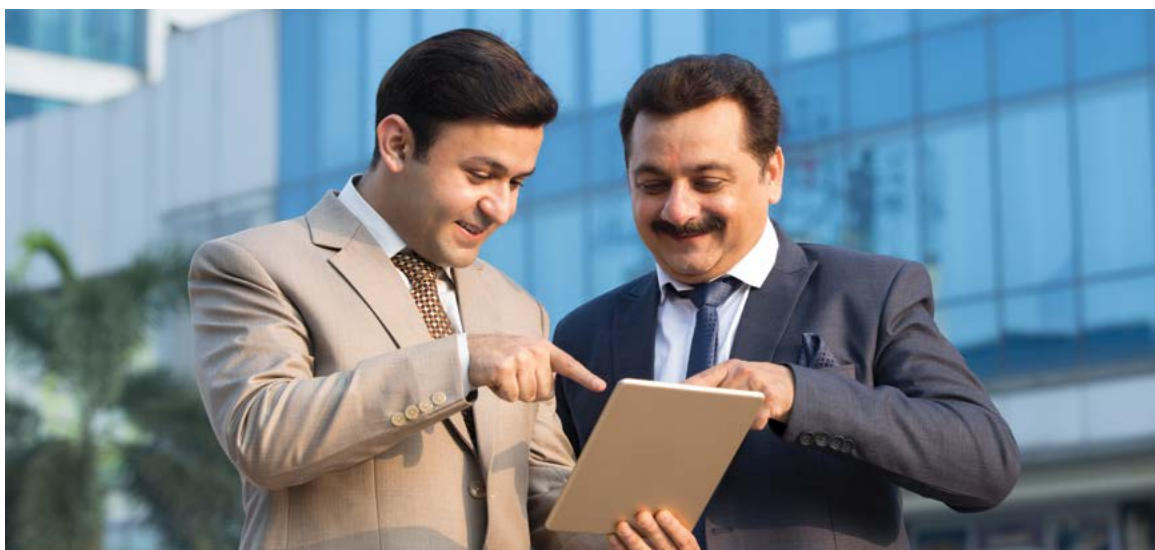
Large Corporates

YES BANK's Large Corporates segment provides comprehensive financial and risk management solutions to large corporate clients. With the Bank's theme of Ecosystem Banking and its service-centric approach, the segment focusses on the entire ecosystem of corporates by also catering to their dealers, vendors and customers.

The Bank is committed to making continuous improvement through research, benchmarking and client orientation with the key objective of strengthening its existing relationships and gaining market share. With the goal of offering a one-stop solution to its corporate clients, the Large Corporates business unit also works in partnership with the Retail Banking team to offer a bouquet of services to the employees of Large Corporates.

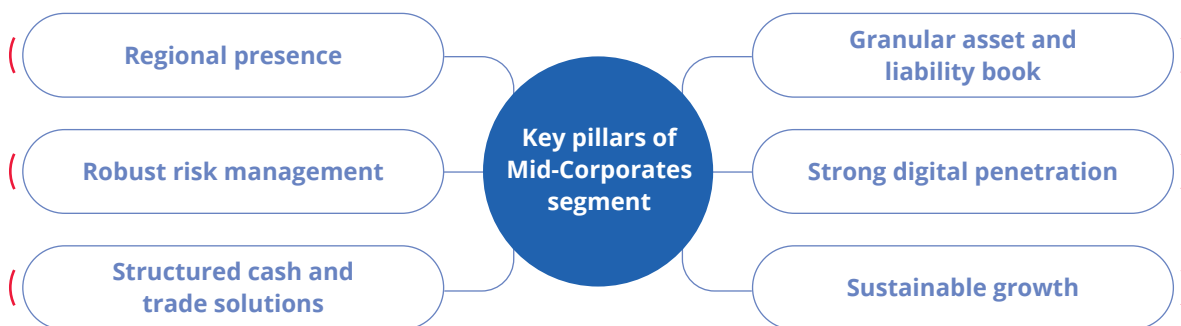
Some of these services are:

- Personal Banking Services (E.g.: Savings Accounts)
- Wealth Management Services
- Credit Cards
- Salary Accounts
- Retail Assets



Mid-Corporates

The Mid Corporates segment 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 the entire spectrum of banking services.



The Mid Corporate segment is on the path of growth through its two-pronged approach of acquiring New-to-Bank (NTB) clients and deepening its existing relationships.

The Mid Corporate team, which currently runs its operations from 39 locations pan-India, will continue to build this portfolio with a stringent focus on Cross-Sell through synergies with Transaction Banking, Digital Banking, Food and Agribusiness Strategic Advisory and Research (FASAR), and Treasury and Retail Banking.

The Mid Corporate segment is also 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.

Indian Financial Institutions

The Indian Financial Institutions segment offers correspondent banking solutions to domestic banks, digital and transaction banking solutions, including market leading API Banking stack for NBFCs, mutual funds, and stockbrokers. It commands a dominant position in co-operative banks space.

The unit has built a sustainable asset book with retail focussed NBFCs and strategic Priority Sector Lending (PSL) through Micro Finance Institutions. It also facilitates Co-lending/Direct Assignment (DA) partnerships to build the retail book further. There are superior offerings for Professional Clearing Members (PCM) and Custodial Businesses, along with banking facilities for stockbrokers and exchanges.

The unit engages with domestic financial institutions like 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 overseas branches of Indian banks to avail Foreign Currency Borrowings and Trade Credit.

International Banking

The International Banking segment maintains relationships with an extensive network of International Banks, Multilateral Financial Institutions and Exchange Houses. It provides a complete suite of products and solutions. The unit leverages its strong correspondent-banking network to create access for its corporate customers and also for internal stakeholders, providing access to the international markets for availing financing and international banking services. The unit leverages the Bank's market-leading API banking stack to integrate with Banks and Exchange houses to offer real-time instant settlement services for its cross-border remittance business.

Products & Solutions:

- Trade Finance
- Treasury Services
- Investment Banking Solutions
- Remittance Solutions
- Financial Advisory



Government Banking

The Government Banking segment aims to provide financial, banking, technology-led solutions and strategic advisory services to ministries under the Union Government, State Government, Central and State Public Sector Undertakings, Boards and other affiliates. The unit delivers innovative, structured and comprehensive solutions, and has also concluded several landmark transactions with Maharatnas, Navratnas, Mini-Ratnas and other apex institutions.

The Bank has deployed innovative and customised digital solutions for various Central & State Development and Procurement Agencies. It has also provided support to educational, religious and sporting institutions across India via its unique transaction banking offerings, which are aimed at creating operational and financial working capital efficiencies. The Bank also partners with the State Governments through the Public Financial Management System (PFMS) mode of payment to ensure seamless tracking of last-mile beneficiary disbursement and create operational efficiencies through the Single Nodal Account (SNA) model.

Multinational Corporates

The Bank has established strong relationships with various multinational corporates across key trade corridors and positioned itself to extend its network for their India-linked

businesses. The Multinational Corporates unit also engages with various strategic influencers to originate current account leads by leveraging its thought-leadership and transaction banking capabilities. The team also leverages the Bank's strong digital and transaction banking capabilities to generate solution-led current account liabilities across all the corporate segments.

Key focus areas:

- Becoming preferred host-country bank to global clients
- Source solution-led current account from corporates

Product Expertise

Transaction Banking

The Transaction Banking is a specialised product group providing Trade Finance, Cash Management and Supply Chain Financing services to Corporates, Governments and Financial institutions. It also engages with strategic business groups to provide customised solutions directly and to their clients through its B2B2C approach.

YES Transact is Transaction Banking's comprehensive product suite that caters to the working capital and liquidity management requirements of businesses across sectors and to a spectrum of MSME and wholesale client segments.

The product suite includes:

Cash Management Services

- Cash Management Services for managing receivables and payables
- Customised and innovative digital solutions, including market-leading API banking solutions
- Digital solutions for domestic/international 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 and Supply Chain Finance

- Trade finance, e.g., Letters of Credit, bank guarantees, export and import credit, and remittances
- Structured trade and supply chain solutions including digitisation initiatives
- Fintech engagements, providing its market leading API Banking stack, or to leverage its connected banking approach and generate acquisition leads
- 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 Transaction Banking 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. As the pioneers of API Banking for a decade, the API Banking solution today provides 450+ API-related services. Transaction Banking's supply chain unit works with its strategic corporate clients and Lending Service Providers (LSP), using technology to harness anchor's supply chain linkages and provide critical liquidity solutions to their MSME/SME partners. It 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.

Project Finance & Loan Syndication

The unit facilitates underwriting of project finance exposures across business segments and has built sectoral expertise over the years, across sectors such as energy, ports and logistics, transport, real estate, roads,

refineries, metals, warehousing and data centres, amongst others. It has demonstrated its distribution capabilities across Banks, NBFCs and Financial Institutions. The unit provides knowledge inputs to key stakeholders to deepen their understanding of these sectors, market conditions and industry developments, and help devise sector specific strategies. This distinctive approach also helps in improving our mindshare and deepen client relationships. The unit further extends support to the Bank's ESG initiatives by lending to sustainability sectors.

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 110+ professionals serving the 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 35,000 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 Bank also offers solutions in complex derivative products to its clients.

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. Every account has a dedicated Treasury Sales Manager that provides key personal services such as timely market insights and sectoral expertise. The Bank provides hedging solutions to its clients outside India through IFSC Business Unit in GIFT City, Gujarat.

Primary Dealership: YES BANK is one of the 21 Primary Dealers (PDs) designated by the 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 is responsible for origination of onshore rupee debt mandates including Non-Convertible Debentures (NCDs), Commercial Papers, PTCs and execution and distribution of these mandates. 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 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.

IFSC Banking Unit – GIFT City (IBU)

YES BANK was the first Bank in India to commence operations at the IFSC in GIFT City, Gujarat, in October 2015. IBU provides comprehensive solutions to the Bank's corporate and retail clients to meet their foreign currency banking requirements across liability and investments, cross-border trade offerings, external commercial borrowings and foreign currency loan syndications.

Knowledge Banking

Business Economics Banking

Business Economics Banking is the research and knowledge arm providing critical analytical perspectives on domestic and global financial markets. The team produces cutting-edge reports on macro issues and public policy perspectives with an aim towards enabling clients with requisite knowledge base required for their business, backed by adequate research.

Food and Agri Business Strategic Advisory Research (FASAR)

The specialised Food and Agri Business Strategic Advisory and Research (FASAR) unit houses industry specialists with sectoral knowledge and experience in the food and agri business domain. FASAR rolls out strategic initiatives and generates innovative banking opportunities from existing and prospect clients on the back of its knowledge-led banking services.

The unit works closely with corporates, SMEs, multinationals, industry chambers, multilateral bodies and Central and State Governments. All these entities are involved in the overall food and agri ecosystem. They focus on executing mandates ranging from strategic and policy advisory, project and working capital financing, and digital solutioning. The FASAR unit also publishes regular strategic reports and research papers on key trends and developments in the food and agriculture sector.

Corporate and Government Advisory

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 and e-mobility has created new banking opportunities for the Bank and helped in deepening our relationships with key customer segments.

Stressed Asset Management

YES BANK's Stressed Asset Management ('SAM') team leads management (including resolution, early exit, sustaining operations and recovery) of stressed loans (however Standard) and non-performing assets (NPAs) originating largely from the Bank's Corporate segments including SME. The SAM team provides effective solutions for resolution of these assets by leveraging its understanding in rehabilitation, restructuring, regulatory, legal, and recovery subjects.

Post transfer of stressed assets' portfolio to JC Flowers ARC, while the exposure under SAM has shrunk, the relevant expertise remains housed with the Bank to make sure that ongoing resolutions are optimal and effective.

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 28,001 employees as at March 31, 2024 of which a net number of 484 employees were added in FY 2023-24. YES BANK's 5C engagement model (Culture, Communication, Connect, Career and Care) provides a consistent and enhanced employee experience.

The Bank implements developmental learning initiatives tailored for its top and senior management leaders. Amongst these are the 'Executive Coaching Leadership Programme' and the 'Inner Engineering Programme' aimed at leveraging personal transformation. These intensive programmes target the identification and cultivation of key leadership competencies.



In pursuit of fostering a diverse, equitable, and inclusive environment, the Bank has facilitated the 'YES Inspire Mentoring Programme', a mentorship initiative for women at a pan-Bank level. The initiative was introduced to nurture a cadre of women leaders who can inspire and mentor the next generation of YES BANKers, enabling them to make meaningful impact in their professional journeys.

Aligning with the organisation's commitment to responsible banking practices and ensuring employee engagement, the Bank conducted the 3rd edition of the 'Voice of YES - Employee Survey' in FY 2023-24. Additionally, to sustain a pipeline of top-tier talent, the Bank continues to invest in recruiting high-caliber individuals from premier educational institutions through its flagship 'YES Professional Entrepreneurship Programme'.

The Bank's dedication to fostering a positive workplace culture has been recognised with its certification as a Great Workplace by 'The Great Place to Work Institute' for the second consecutive year in India. YES BANK also received a recognition by Great Place to Work for being among the Top 50 in 'India's Best Workplaces in BFSI 2024' for the second year in a row. This recognition by the GPTW Institute not only reaffirms our commitment to excellence in people practices, it also highlights our dedication to nurture a High Trust Culture.

Women participation in the Bank's workforce increased from 21.0% in FY 2022-23 to 21.8% in FY 2023-24. The Bank is committed to achieving 25% gender diversity by FY 2024-25. The Bank's attrition rate for FY 2023-24 stood at 38.2%, compared with 42.7% for FY 2022-23.

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 has 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 are 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 such as 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. 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 68.

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. It ensures that 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. 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 risks.

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 (IS), information technology (IT) 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 (including IT & IS systems) 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 robust 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)

The Bank's Company Secretarial Function is ISO 9001:2015 certified for its functions and 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.

Being the Board Governance facilitator, the CS Function plays a critical role in organising and implementing the 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, and 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 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.

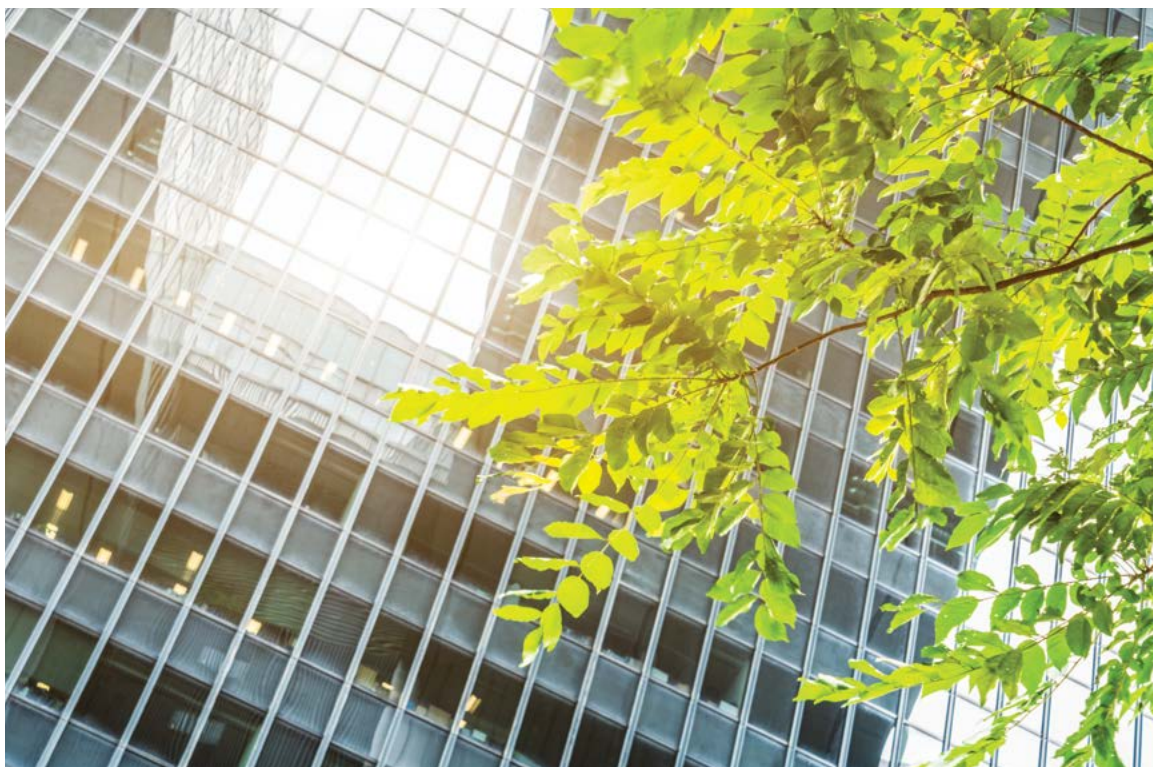
The team also acts as the custodian of YES BANK's Environmental Management Policy which guides the implementation of Bank-wide Environmental Management System (EMS). This EMS is designed to monitor and minimise the negative environmental risks and impacts of the Bank's operations by driving continuous improvement in areas such as natural sustainable supply chain and emissions reduction.

In FY 2023-24, the Bank expanded the scope of its EMS to 1,186 facilities which have been certified as per ISO 14001 EMS Standard. This is the highest number of facilities that have been certified as per ISO 14001, in the Banking & Financial Services and the Insurance sector, globally.

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 UNEP FI's Principle for Responsible Banking. 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.

Currently, three of the Bank's offices, YES BANK House, YES Fintech Center, Airoli and Vaman Centre, Andheri, along with 43 of the Bank's 92 Branches in Mumbai have been switched to renewables. 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 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 degrees, 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 FY2023-24, for the second year in a row, YES BANK achieved the highest ESG score amongst Indian banks, in the S&P Global Corporate Sustainability Assessment (CSA) 2023.



The Bank scored 73 (out of 100) in the 2023 (CSA Score as of December 1, 2023), reflecting a marked improvement of 5 points over its score of 68 in 2022. For the second consecutive year, the Bank was also rated 'A-' Leadership Band by CDP for its 2023 Climate Change disclosures, retaining its position as 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 2023-24, the Bank continued to implement its five-year CSR strategy, which aims to inspire India's youth to lead economic and social development by skilling themselves for market-oriented jobs and by taking to enterprise. This strategy is implemented by YES Foundation, the Bank's social development arm, which aims to catalyse employment and entrepreneurship opportunities for 100,000 people by 2026, while retaining its focus on environment sustainability. While the Foundation continued to support ongoing projects across its 3Es focus, the Bank gave additional CSR funds of ₹ 10 crore to YES Foundation for expanding the scale of its projects. Summary of the impact achieved is given below:

Employability: The Bank aims to capitalise on the demographic advantage India has in its younger generations. In FY 2023-24, through YES Foundation, over 4,000 young people were trained for different sectors,



with 2,200 being trained from the CSR funds received from the Bank in the said financial year. At least 70% of these trainees received 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.

Entrepreneurship: To strengthen the local economies, YES Foundation promotes nano-enterprises with a distinct focus on enhancing income of farmers and empowering women in the rural areas. In FY 2023-24, rural population of over 13,000 people 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. Of these, 6,000 farmers enhanced their income through the CSR funds received in the said financial year.

Environmental Sustainability: Through YES Foundation, the Bank works on enhancing energy efficiency of the MSME sector and reduce their overall carbon footprint. As a result of which 100 MSMEs benefited from the walk-through energy audits conducted in FY 2023-24. Further, the Bank, through the Foundation, planted 2 lakh trees across 11 states and geotagged the same to monitor them for growth and survival. The plantations were carried out on farmer's lands with a dual objective of enhancing the green cover as well as enabling an additional income for the farmers.

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 technology team aligns its capabilities around five key themes (01) enabling business growth drivers combined with innovation (02) driving operational & cost efficiencies (03) enhancing our risk & governance posture (04) delivering sustainable and secure services (05) nurturing and developing talent competencies.

These objectives have translated into thematic activities.

- **API/Microservices-based architecture:** API-first approach enables scale embedded with a combination of speed & security. The combination of API / Microservices / ESB architecture provides the optimal scale model to accelerate organic and inorganic acquisition and servicing capabilities whilst granularising the service components.
- **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 continues to explore more challenging applications for Robotic Process Automation (RPA) within the Bank. As a part of its innovation agenda, the Bank is in early stages of Proof-of-Concept approach in the use of Generative AI to address customer service queries.
- **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. The Bank is in the process of investing in sustainable platforms that enable its customer-centric journeys be agile and provide rich experiences to its onboarding and servicing interactions.
- **Partner ecosystem:** As the Bank grows, it needs differentiated partners to create the best ecosystem of support; hence, the organisations 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. The Bank is also enhancing its data governance capabilities in line with the forthcoming regulations.

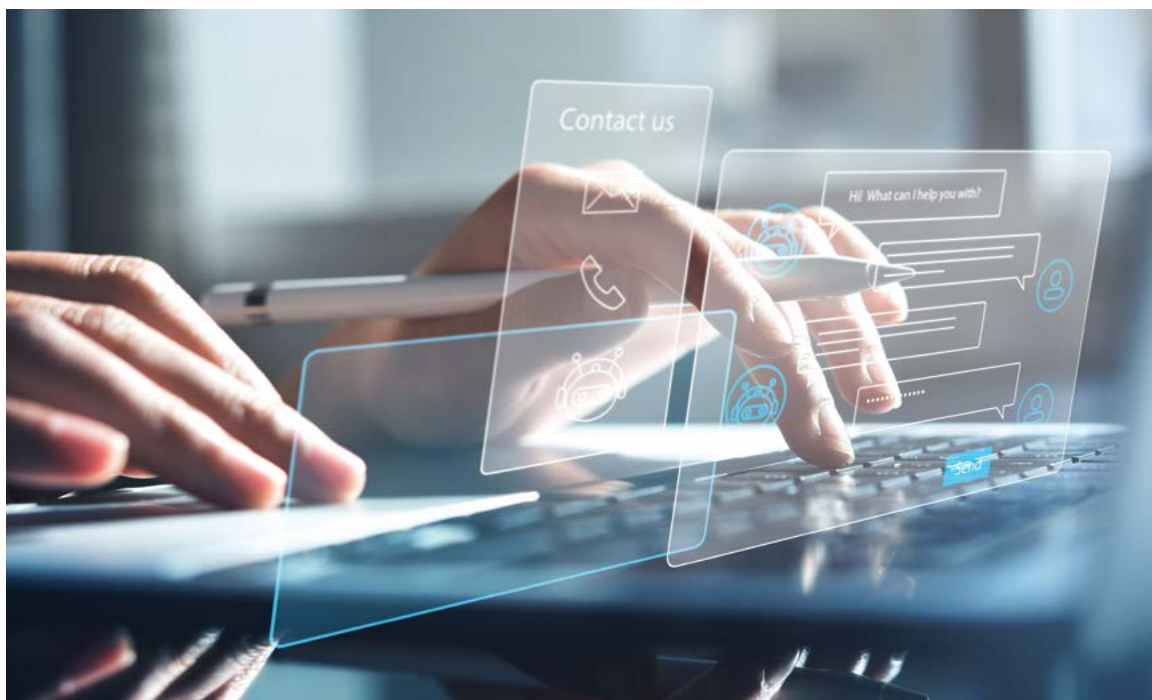
During FY 2023-24, various new initiatives were completed successfully, while existing systems were upgraded to their latest versions to support the growing needs of the Bank.

Top Bank-wide projects completed during the year include:

- **Digital Onboarding & Service Digitalisation:** The Digital Onboarding and Service digitisation programme ensures a 24/7 availability of self-servicing channels for customers and non-customers across the Bank's different lines of businesses. This project is aimed to reduce time and improves customer experience thereby improving the overall satisfaction of the interaction. 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 across our digital ecosystem. iris by YES BANK has been developed as a platform to enable the Bank to expand the

onboarding / servicing capabilities across businesses and enrich customer interaction across business lines and needs.

- **SME Transformation:** SME business growth is a key focus area. Enabling seamless onboarding for SME clients is key to customer engagement. The SME transformation agenda covers the end-to-end journey of "Onboarding to Servicing", along with integration with partners who can enhance the value proposition.
- **Central Bank Digital Currency:** In FY 2022-23, the RBI launched the 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.
- **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. TPH has enabled the Bank to drive scale in its payment processing thus enabling the Bank service its customer base to support the payouts / collections across various segments.





YES Securities (India) Limited (A Wholly-Owned subsidiary of YES BANK)

YES Securities (India) Limited ('YSIL'), Wholly-Owned Subsidiary of the Bank has reported total revenue of ₹ 273.8 crore and profit after tax of ₹ 34.1 crore during the FY 2023-24 which represents revenue growth of 24% Y-O-Y and profit growth of 85% Y-O-Y.

YSIL is on course to strengthen its three chosen fields of growth namely: (a) Client acquisition, (b) distribution of wealth solutions, (c) funds management and (d) institutional broking.

Business segment-wise update is as follows:

Investment Advisory and Wealth Broking

Overview:

YSIL's Wealth Broking business continues to strive to offer the best proposition to its customers. It offers wide-range products, value plans, research services, digital and personalised support.

YSIL has adopted a 'Digital First' approach, which is in line with the Bank's approach. It has enabled customers to effortlessly open a Demat and trading account from their web or mobile devices without any need of physical intervention within the applicable regulatory norms.

YSIL is working on further enhancements in its digital trading platforms which shall provide the customers with a best-in-class user experience driven by cutting-edge technology. YSIL shall launch its new web and mobile platforms during FY 2024-25.

The active client base of YSIL has moved up to ~75,000.

Customer Focus:

During FY 2023-24, YSIL has reported 64% growth in its client base by opening ~2.07 lakh new accounts. Considering customers' expectations, YSIL offers a customised set of solutions besides other off-the-shelf products & services. YSIL serves varied customer segments through its digital as well as dealer-based investing experience. A strong research and 'customer-first' culture drives product development and engagements, which helps the customers in their wealth creation journey. The range of products caters to various investor segments such as market novices, active traders, HNIs, Family offices and Corporates.

Revenue Growth:

During FY 2023-24, income for the Wealth Broking business grew from ₹ 192.9 crore to ₹ 251.3 crore, which represents a growth of 30.3% Y-O-Y.

Capability Building for Future:

The strategy for the upcoming years is focussed on building efficiencies and investing in technology and systems to scale in terms of: (i) Acquisition, (ii) Activation, and (iii) ARPU.

Able supported by an experienced leadership team, robust processes and risk management practices, the Wealth Broking business is poised to maintain its growth trajectory and achieve new milestones.

Institutional Broking

Overview:

YSIL's Institutional Broking division continues to gain recognition. The team offers incisive research and proficient Sales Trading and dealing capabilities to leading institutional investors such as asset management companies, insurance companies, PMSs, AIFs, banks and corporate treasuries. The business is also growing its presence with foreign portfolio investors.

YSIL's research, corporate access and deep-rooted relationships with institutional investors will help to expand its institutional equity businesses. YSIL has added 16 new institutions as clients and is now empanelled with 110 institutions.

YSIL's strong Research team brings a combined ~265 years of equity research experience with analysts actively covering 200+ companies, among the largest coverages in the industry. The team is well-recognised for its ability to spot high conviction midcap ideas, contra-to-market ideas through its deep corporate relationships. YSIL's institutional business is well recognised for hosting numerous events and roadshows, on-groundwork and channel checks, and governance checks on listed stocks.

Financial Performance:

The revenue from Institutional Broking business increased by 46.1% from ₹ 15.2 crore during FY 2022-23 to ₹ 22.2 crore in FY 2023-24, driven by increased flow of business through new client onboarding.

Growth Philosophy:

YSIL continues to make astute investments towards augmenting the team's knowledge, leadership position and technical capabilities.

Transfer of Investment Banking and Merchant Banking business

In order to focus on core business activities, during FY 2023-24, YSIL has transferred its Investment Banking & Merchant Banking business to the Bank effective from January 01, 2024.

Overview of Financial Performance

Key Ratios:

Particulars	FY 2023-24	FY 2022-23
Return on average equity (%)	3.0%	2.0%*
Return on average assets (%)	0.3%	0.2%
EPS - Basic (FV ₹ 2)	0.44	0.27
EPS - Diluted (FV ₹ 2)	0.43	0.27
Net interest margin (%)	2.4%	2.6%
Book value per share (FV ₹ 2)	14.65	14.17
Cost to income#	74.4%	72.6%
Yield on advances	10.2%	8.9%
Cost of funds	6.4%	5.5%
Capital Adequacy Ratio Basel III		
CET 1	12.2%	13.3%
Tier - I	12.2%	13.3%
Tier - II	3.2%	4.7%
Gross non performing advances (NPA) % to Total Advances	1.7%	2.2%
Net NPA % to Total Advances	0.6%	0.8%
CASA ratio to % of total deposits	30.9%	30.8%

* For the purpose of determining ROE, the Bank has considered weighted average shareholder funds during the year. Basis simple average for FY 2022-23 of shareholder funds, the ROE is 1.9%.

Normalised C/I (ex- PSLC & Interest on Income Tax Refund) at 72.2% for FY 2023-24 v/s. 72.6% FY 2022-23.

The Bank has CASA ratio of 30.9%. The Bank's shareholder returns for FY 2023-24 in terms of basic and diluted EPS were ₹ 0.44 and ₹ 0.43 respectively. The book value per share was ₹ 14.65.

Highlights for FY 2023-24:

- Net Profit for the year is ~₹ 12,511 million.
- Balance Sheet grew 14.3% Y-O-Y.
- This has been the third year of full year profitability post moratorium on the Bank.
- NNPA ratio significantly improved to 0.6%.
- CET-I ratio is at 12.2% (Proforma CET-I ratio post redemption of share warrants is 13.2%) and CRAR is at 15.4%.



Operating Performance:

₹ in million

Particulars	FY 2023-24	FY 2022-23	% change
Interest income	275,859	226,974	21.5%
Interest expense	194,913	147,799	31.9%
Net interest income	80,946	79,176	2.2%
Non interest income	51,143	36,851	38.8%
Operating revenue	132,089	116,026	13.8%
Operating expenses	98,227	84,199	16.7%
Operating profit	33,863	31,828	6.4%
Provisions and contingencies	18,863	22,198	-15.0%
Profit before tax	15,000	9,629	55.8%
Provision for tax	2,489	2,455	1.4%
Net Profit/(Loss)	12,511	7,174	74.4%

Net Profit for FY 2023-24 is ₹ 12,511 million as compared to profit of ₹ 7,174 million for FY 2022-23 higher by 74.4%. The Bank's operating profit increased by 6.4% Y-O-Y on the back of NII and higher Non-Interest Income.

Net Interest income (NII) of the Bank increased by 2.2% to ₹ 80,946 million during FY 2023-24 as compared to ₹ 79,176 million during FY 2022-23. The Net Interest Margin (NIM) was 2.4% in FY 2023-24.

Non-interest income consists of fee, trade income and gain on sale of securities. Non-interest income increased by 38.8% from ₹ 36,851 million in FY 2022-23 to ₹ 51,143 million in FY 2023-24. Higher non-interest income and NII was largely offset by higher operating expenditure.

Operating expenses increase by 16.7% from ₹ 84,199 million in FY 2022-23 to ₹ 98,227 million in FY 2023-24. The employee cost increased from ₹ 33,627 million in FY 2022-23 to ₹ 37,743 in FY 2023-24. Other operating cost increased by 19.6% from ₹ 50,572 million in FY 2022-23 to ₹ 60,484 million in FY 2023-24.

Provisions and contingencies (excluding provision for taxes) decreased by 15% from ₹ 22,198 million in FY 2022-23 to ₹ 18,863 million in FY 2023-24.

Net interest income:

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

₹ in million

Particulars	FY 2023-24	FY 2022-23	% change
Interest income	275,859	226,974	21.5%
Interest expense	194,913	147,799	31.9%
Net interest income	80,946	79,176	2.2%
Net interest margin	2.4%	2.6%	

Net Interest income (NII) of the Bank increased by ₹ 1,770 million to ₹ 80,946 million during FY 2023-24 as compared to ₹ 79,176 million during FY 2022-23.

Non-Interest income:

₹ in million

Particulars	FY 2023-24	FY 2022-23	% change
Commission, exchange and brokerage	30,743	20,913	47.0%
Profit on the sale of investments (net)	2,271	344	559.8%
Profit/(Loss) on the revaluation of investments (net)	1,043	(35)	NA
Profit/(Loss) on sale of land, building and other assets	(21)	70	NA
Profit on exchange transactions (net)	6,441	7,446	-13.5%
Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-	
Miscellaneous income	10,666	8,112	31.5%
Total	51,143	36,851	38.8%

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 38.8% to ₹ 51,143 million during FY 2023-24 as compared to ₹ 36,851 million during FY 2022-23 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 2023-24	FY 2022-23	% change
Payments to and provisions for employees (A)	37,743	33,627	12.2%
Other operating expense (B)	60,484	50,572	19.6%
- Depreciation on own property (including non-banking assets)	5,410	4,291	26.1%
- Other administrative expenses	55,073	46,281	19.0%
Operating expenses (A)+(B)	98,227	84,199	16.7%
Cost to income ratio	74.4%	72.6%	2.5%



Non-interest expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Operating expenses increase by 16.7% from ₹ 84,199 million in FY 2022-23 to ₹ 98,227 million in FY 2023-24.

Employee costs increased by 12.2% from ₹ 33,627 million in FY 2022-23 to ₹ 37,743 million in FY 2023-24. The number of employees have increased from 27,517 at March 31, 2023 to 28,001 at March 31, 2024. Employee costs accounted for 38.4% of operating expenses of the Bank for FY 2023-24 compared to 39.9% for FY 2022-23.

Other administrative expenses increased by 19% to ₹ 55,073 million in FY 2023-24 driven by business volumes, higher IT spends due to escalated annual maintenance charges and support resources and purchase of Priority Sector Lending (PSL) certificates during the year to ensure compliance with PSL targets aggregating to net cost of ₹ 3,763 million in FY 2023-24 v/s. NIL in FY 2022-23. Number of branches also increased to 1,234 as March 31, 2024 from 1,192 as at March 31, 2023.

Provisions/write back of provision and contingencies (including provision for tax):

Provisions and contingencies decreased by 13.4% from ₹ 24,654 million to ₹ 21,352 million primarily due to decrease in provision/write back of provision on investment.

The key components of provisions are provisions for NPAs of ₹ 24,382 million [FY 2022-23: ₹ (169.46) million], provision for taxation of ₹ 2,489 million [FY 2022-23 ₹ 2,455 million], and provision for standard assets ₹ (1,011) million [FY 2022-23: ₹ (1,496) million] and provision/write back of provision on investments of ₹ (5,426) million [FY 2022-23: ₹ 24,087 million].

During the year ended March 31, 2024, the Bank has transferred two stressed loans of gross value ₹ 6,903.20 million to ARCs. The net book value ('NBV') of these exposures in the Bank's books as on the date of assignment was ₹ 1,421 million and the final consideration received was ₹ 3,364 million under "100% upfront cash basis". The realised profit amounting ₹ 1,943 million due to cash recovery exceeding the net book value of stressed loans was credited to Profit and Loss Account during the year ended March 31, 2024.

Financial Condition:**Assets:**

₹ in million

Particulars	FY 2023-24	FY 2022-23	% change
Assets			
Cash and bank balances	189,296	192,744	-1.8%
Cash and balances with Reserve Bank of India	181,392	128,641	41.0%
Balances with banks and money at call and short notice	7,904	64,104	-87.7%
Investments	902,351	768,883	17.4%
SLR investments*	806,206	660,754	22.0%
Non SLR investments	96,145	108,129	-11.1%
Advances	2,277,995	2,032,694	12.1%
In India	2,218,391	1,967,008	12.8%
Outside India	59,603	65,687	-9.3%
Fixed assets	28,565	24,448	16.8%
Other assets	656,722	529,092	24.1%
Total	4,054,930	3,547,861	14.3%

*Includes investment in government securities, banks in India are required to maintain a specified percentage, 18.00% as at March 31, 2024, 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 14.3% from ₹ 3,547,861 million at March 31, 2023 to ₹ 4,054,930 million at March 31, 2024, 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 increased from ₹ 128,641 million at March 31, 2023 to ₹ 181,392 million at March 31, 2024.

Investments

Total investments increased by 17.4% from ₹ 768,883 million at March 31, 2023 to ₹ 902,351 million at March 31, 2024.

SLR investments increased by 22% from ₹ 651,582 million in FY 2022-23 to ₹ 806,206 million in FY 2023-24. Non SLR investments decreased by 11.1% from ₹ 117,301 million in FY 2022-23 to ₹ 96,145 million in FY 2023-24.

Advances

During FY 2023-24, the Bank recorded addition of 12.1% in its loan book with advances increasing to ₹ 2,277,995 million.

Net advances of IFSC Banking Unit (IBU) in GIFT City decreased from ₹ 65,687 million at March 31, 2023 to ₹ 59,603 million at March 31, 2024.

Fixed assets and other assets

Net fixed assets is ₹ 28,565 million as at March 31, 2024. Increase during FY 2023-24 in gross block of fixed assets was ₹ 9,736 million (excluding premises) mainly driven by addition of ₹ 609 million in capital work in progress, computer software ₹ 1,630 million, leasehold improvement ₹ 832 million.

Other assets increased to ₹ 656,722 million in FY 2023-24 from ₹ 529,092 million in FY 2022-23.



Financial Condition

Liabilities

₹ in million

Particulars	As at March 31, 2024	As at March 31, 2023	% change
Liabilities			
Capital	57,536	57,510	0.0%
Share Warrants Subscription Money	9,484	9,484	0.0%
Reserves and Surplus	354,434	340,431	4.1%
Deposits	2,663,722	2,175,019	22.5%
Current Deposit Accounts	413,440	336,029	23.0%
Savings Account	409,730	332,999	23.0%
CASA	823,170	669,028	23.0%
Term Deposit	1,840,552	1,505,991	22.2%
Borrowings	799,409	774,520	3.2%
Borrowing in India	677,547	671,550	0.9%
Borrowings outside India	121,861	102,970	18.3%
Other liabilities and provisions	170,345	190,898	-10.8%
Total	4,054,930	3,547,861	14.3%

Equity Issue

During the year ended March 31, 2024, the Bank has issued 13,106,772 equity shares (Previous year: 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.

During the previous year, the Bank had issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis.

Movement in Share Capital

₹ in million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Share Capital	57,510	50,110
Addition due to exercise of share option	26	7
Addition due to shares issued on preferential basis	-	7,392
Closing share capital	57,536	57,510

Deposits

Deposits increased by 22.5% from ₹ 2,175,019 million as at March 31, 2023 to ₹ 2,663,722 million at March 31, 2024. Term deposits increased by 22.2% from ₹ 1,505,991 million at March 31, 2023 to ₹ 1,840,552 million at March 31, 2024, savings account deposits increased by 23% from ₹ 332,999 million at March 31, 2023 to ₹ 409,730 million at March 31, 2024 and current account deposits increased by 23% from ₹ 336,029 million at March 31, 2023 to ₹ 413,440 million at March 31, 2024. The current and savings account deposits increased from ₹ 669,028 million at March 31, 2023 to

₹ 823,170 million at March 31, 2024. Total deposits at March 31, 2024 constituted 76.9% of the funding (i.e., deposits and borrowings). The Bank's CD ratio stood at 85.5% as at March 31, 2024.

Borrowings

Borrowings increased by 3.2% from ₹ 774,520 million at March 31, 2023 to ₹ 799,401 million at March 31, 2024.

Other liabilities

Other liabilities decreased by 10.8% from ₹ 190,898.17 million at March 31, 2023 to ₹ 170,345.47 million at March 31, 2024.

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.

₹ in million

Capital Adequacy Ratios	As at March 31, 2024	As at March 31, 2023
Total capital ratio (CAR) out of the above	15.4%	18.0%
- CET-1	12.2%	13.3%

- Proforma CET-1 ratio post redemption of share warrants into equity 13.2%

Subsidiary Performance

During FY 2023-24 YSIL reported a net profit of ₹ 341 million. Total revenue from operations of YSIL increased by 24.3% from ₹ 2,187 million in FY 2022-23 to ₹ 2,717 million in FY 2023-24.

As at March 31, 2024, the total capital infused and outstanding is ₹ 2,490 million in YSIL.

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.

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 IFRS (Ind AS) Management Committee'). The IFRS (Ind AS) Management Committee (Committee) comprises Chief Financial Officer (CFO) (Chairman), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Information Officer (CIO) as members and senior management from Financial Management, Risk Management and Treasury Operations as invitees. The Committee oversees the progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Committee closely reviews progress of the implementation and related matters
- The 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 Twentieth 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, 2024.

BUSINESS OVERVIEW

FY 2023-24 was the fourth year of the new journey of YES BANK. 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. Through the fourth year 2023-24, the Bank has continued to build on a strong momentum on both our asset and liability with focus on granularity and in risk calibrated manner. The Bank now has a dedicated focus towards improving the profitability profile of the Bank, thereby enhancing the shareholder returns. The Directors are pleased to inform the shareholders that the Bank's Total Assets in FY 2023-24 crossed ₹ 4 lakh crore, with deposits crossing ₹ 2.6 lakh crore and CASA ratio at 30.9%. At the same time, the Return on Assets (RoA) for FY 2023-24 expanded to 0.3% from 0.2% in the previous year, and the annualised RoA for the Quarter ended March 31, 2024 was at 0.5%.

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 fulfil 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 on the Bank by our 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, continuing momentum on new client acquisition, several marquee strategic partnerships and re-inclusion of the stock in marquee indices amongst others.

Importantly, during the year, the Bank has dedicatedly focussed on executing its profitability improvement roadmap by leveraging the core and key business levers of 1) retail asset mix optimisation, 2) SME and Mid-Market strong value proposition, 3) leveraging Digital and Transaction Banking capabilities and partnerships and, lastly 4) fully sweating Branches as the fulcrum of the business to drive higher cross sell and lower costs going forward. This is being driven alongside a focused Priority Sector Lending (PSL) strategy.

As a part of its transformation, the Bank unveiled its refreshed brand identity on May 30, 2023, as a part of which a vibrant new logo was launched which carries forward the visual DNA of the Bank and builds on it. This new identity embodies our deep commitment to empower our customer. While we take care of their banking needs, they can continue to focus on living a fuller life, spend more time with their loved ones and create new memories. The YES BANK of today truly represents our brand ethos - ***Life Ko Banao Rich.***

The Bank undertook multiple initiatives to grow the Bank's business and launched innovative and tailored propositions for its customers. The Bank launched 'IRIS by YES BANK'- A comprehensive mobile banking solution that offers end-to-end life cycle management and enables customers to bank 'on the go'. 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 (e₹) - the Central Bank Digital Currency ("CBDC"). The Bank went live as both Acquirer and Issuer for ICCW Services (Interoperable Cardless Cash Withdrawal) which facilitates withdrawal of cash from ATMs through UPI without using their Card. YES BANK also went live with Unified Payments Interface (UPI) Interoperability on the Reserve Bank of India (RBI) Central Bank Digital Currency (CBDC) app. The Bank also became the first bank in the country to offer 'ONDC Network Gift Card'. It also integrated with the leading discount stock brokerage firm to offer secondary ASBA services to its customers. During the year, the Bank also launched YES Pay Next, a cutting-edge UPI payments app which provides a seamless, secure, and smarter way to manage transactions.

The Bank was certified as Great Place To Work® Certified™ and is ranked among the Top 50 in 'India's Best Workplaces in BFSI 2024' for the second year in a

row, which is a reflection of Bank's high-trust and high performance culture.

Key highlights during FY 2023-24 included:

- A dedicated Strategy & Transformation Office was setup, aimed at accelerating the Profitability profile of the Bank.
- Senior Management Appointments during the year included: Mr. Manish Jain as Country Head - Wholesale Banking, Mr. Pankaj Sharma as Chief Strategy and Transformation Officer, Mr. Tushar Patankar as Chief Risk Officer, Mr. Rajat Chhalani as Chief Compliance Officer.
- The Bank received Credit Rating Upgrades from CRISIL, India Ratings & CARE for its Basel III Tier II Bonds & Infrastructure Bonds which were upgraded to A from A- / BBB+.
- The Bank also topped amongst Indian Banks with highest S&P Global ESG Score in 2023.
- YES BANK is the first Bank globally with an ISO 14001:2015 certified Environmental Management System covering 1,186 facilities.
- The Bank was also included in BSE Next 50, BSE 100 as well as FTSE4Good indices during the year.
- The Bank is the Principal Sponsor - Indian Olympic Association (IOA) as their Official Banking Partner for Team India for Paris Olympics 2024.
- The Bank entered into a Strategic Partnership with PayTM: wherein the Bank will provide services as a PSP Payment Bank to existing & new consumers of UPI consumer App, UPI collections services to existing & new merchants and offering of settlement services.
- The Bank received several awards in the MSME Banking Excellence Awards 2023, organised by CIMSME: Awarded Best Bank for Promoting Govt. Schemes in private sector, runners-up for Best MSME Bank in the private sector.
- YES BANK was the first Indian Bank to conduct Export Finance Transaction on RXIL's (Receivables Exchange of India Limited- a TReDS platform with JV between SIDBI and NSE) ITFS (International Trade Finance Service) platform.

The Bank continued its efforts towards building a stronger retail franchise with contribution of retail advances compared to total advances, increased to ~46% in FY 2023-24 compared to 45% in FY 2022-23. 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 ~ ₹ 1,14,000 crore in FY 2023-24 with Retail Assets disbursements of ~ ₹ 42,000 crore. The Bank has significant presence within the new-age payments space with the highest market share of 34.5% in UPI transactions (by volume) in FY 2023-24.

STATE OF THE AFFAIRS OF THE BANK

The Bank's fundamentals have strengthened and it has emerged 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

As we progress into Fiscal 25, the overall business outlook remains healthy. The Banking sector in India has exhibited remarkable resilience in the face of many adversities. The latest Financial Stability Report (December 23) indicates that the domestic financial system remains stable, with sound balance sheets of financial institutions, and which is expected to continue to support the funding needs of a growing economy. On a y-o-y basis, one should expect some moderation in the credit growth from the banking system that accounts for a high base of the last year and relative expected moderation in GDP growth rate to around 7% in Fiscal 25.

The Government is expected to continue with its reforms momentum and keep up the pace of capex investments. Various surveys have indicated that likely crowding-in of private investments which may further boost credit demand. With the RBI increasing the risk weight of some of the segments of personal loan, the impact was already visible in the last four months of Fiscal 24 and we expect the pace of growth in this segment to slow down going forward; with some offsets likely to continue to come from sustained growth in Housing segment.

As we may see rate cut cycle beginning to unfold at some point in Fiscal 25, it is expected that financial markets may exhibit some volatility. A falling interest rate scenario is expected to be detrimental for the net interest margins (NIMs) for the banking sector as transmission of rate cuts on the asset side is generally faster than on the liability side. Continued global geopolitical tensions could, on the other hand, temper the growth outlook and hence lead to moderation in credit growth. Geopolitical risks also raise the fear of a rise in commodity prices and could also lead to hampering economic growth and hence credit growth.



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, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023	Change
Deposits	2,663,721.72	2,175,018.62	488,703.10
Borrowings	799,408.80	774,519.92	24,888.88
Advances	2,277,994.72	2,032,694.44	245,300.28
Total Assets/Liabilities	4,054,929.90	3,547,861.31	507,068.59
Net Interest Income	80,946.20	79,175.72	1,770.48
Non-Interest Income	51,142.99	36,850.57	14,292.42
Operating Profit	33,862.61	31,827.64	2,034.97
Provisions and Contingencies	18,862.83	22,198.46	(3,335.63)
Profit before Tax	14,999.78	9,629.18	5,370.60
Provision for taxes	2,488.99	2,455.10	33.89
Net Profit/(Loss)	12,510.80	7,174.09	5,336.71
Add: Surplus/(Deficit) brought forward from last period	(100,519.74)	(106,965.66)	6,445.92
Amount available for appropriation	(88,008.95)	(99,791.58)	11,782.63
Appropriations			
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	3,127.70	1,793.52	1,334.18
Capital Reserve	262.64	31.67	230.97
Investment Reserve	431.92	16.79	415.13
Investment Fluctuation Reserve	472.30	2,358.76	(1,886.47)
Surplus carried to Balance Sheet	(92,303.51)	(103,992.32)	9,469.99
Key Performance Indicators			
Net Interest Margin	2.4%	2.6%	
Return on Annual Average Assets	0.3%	0.2%	
Return on Equity	3.0%	2.0%*	
Cost to Income Ratio#	74.4%	72.6%	

*For the purpose of determining ROE, the Bank has considered weighted average shareholder funds during the previous year. Basis simple average of shareholder funds the ROE of the previous year is 1.9%.

#Normalized C/I (ex- PSLC & Interest on Income Tax Refund) at 72.2% for FY24 v/s. 72.6% for FY 23.

Net Profit for FY 2023-24 is ₹ 12,510.8 million as compared to profit of ₹ 7,174.09 million for the FY 2022-23 higher by 74.4%. The Bank's operating profit increased by 6.4% Y-o-Y on the back of NII and higher Non-Interest Income.

Net Interest income (NII) of the Bank increased by 2.2% to ₹ 80,946.2 million during FY 2023-24 as compared to ₹ 79,175.72 million during FY 2022-23. The Net Interest Margin (NIM) was 2.4% in FY 2023-24. Non-interest income consists of fee, trade income and gain on sale of securities. Non-interest income increased by 38.8% from ₹ 36,850.57 million in FY 2022-23 to ₹ 51,142.99 million in FY 2023-24. Higher non-interest income and NII was largely offset by higher operating expenditure.

Operating expenses increased by 16.7% from ₹ 84,198.65 million in FY 2022-23 to ₹ 98,226.58 million in FY 2023-24.

The employee cost increased from ₹ 33,627.00 million in FY 2022-23 to ₹ 37,742.78 in FY 2023-24. Other operating cost increased by 19.6% from ₹ 50,571.64 million in FY 2022-23 to ₹ 60,483.8 million in FY 2023-24.

Provisions and contingencies (excluding provision for taxes) decreased by 15% from ₹ 22,198.46 million in FY 2022-23 to ₹ 18,862.83 million in FY 2023-24.

DIVIDEND

During FY 2023-24, 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, 2024:

Amount transferred to	₹ in million
Statutory Reserve	3,127.70
Capital Reserve	262.64
Investment Reserve	431.92
Investment Fluctuation Reserve	472.30

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 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend which remains 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 by following the procedure prescribed in the IEPF 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
2015-16	June 07, 2016	21,72,100	July 12, 2023

SHARES TRANSFERRED/CREDITED TO IEPF

During the Financial Year 2023-24, the Bank transferred 60,761 Equity Shares to IEPF corresponding to unclaimed dividend for the year 2015-16. The IEPF Authority holds 2,84,156 Equity Shares in the Bank as at March 31, 2024.

Members whose dividends remains unclaimed are requested to submit their claims to KFin Technologies Limited without any delay. The details of Nodal Officer and

Deputy Nodal Officer appointed under the provisions of IEPF Rules are available on the website of the Bank.

CAPITAL RAISING & CAPITAL ADEQUACY RATIO ("CAR")

During the year ended March 31, 2024, the Bank has issued 13,106,772 equity shares (Previous year: 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.

During the previous year ended March 31, 2023, the Bank had issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis.

Post allotment of aforesaid equity shares, the issued, subscribed and paid up share capital of the Bank stands at ₹ 57,535,764,212 comprising of 28,767,882,106 equity shares of ₹ 2 each as at March 31, 2024.

The Bank has not issued any equity shares with differential voting rights during the year.

MOVEMENT IN SHARE CAPITAL & CAPITAL ADEQUACY RATIO ("CAR")

₹ in million

	As at March 31, 2024	As at March 31, 2023
Opening Share Capital and Share Warrant	66,993.47	50,109.91
Addition due to exercise of share option	26.21	7.33
Addition due to shares issued on preferential basis	-	7,392.31
Addition due to share Warrants issued	-	9,483.92
Closing Share Capital and Share Warrant	67,019.68	66,993.47

CET-I ratio is at 12.2% (CET-I ratio post redemption of share warrants is 13.2%) and CRAR is at 15.4%. NNPA ratio significantly improved at 0.58%.

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 Management 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 a strong governance framework basis the Three Lines of Defence as detailed below:

First Line of Defence - Business Management: Each business segment of the Bank has risk ownership and is responsible for assessment and management of risks and has the overall responsibility of the management and mitigation of the Risk. The segments are required to implement appropriate procedures to fulfil their risk governance responsibilities.

Second Line of Defence – Independent Control functions: The Bank's independent oversight functions, such as, Risk Management, Credit Underwriting, Compliance, Legal, Risk Intelligence and Control 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 to 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 Management, Market Risk, Operational Risk, Legal Risk, Information Security, Portfolio Analytics, Wholesale Credit Risk Policy, Credit Risk Modelling, Retail, SME & Rural Policy and Portfolio Management, Risk Secretarial Unit, Risk Rating Unit, Risk Intelligence and Control, Anti-Money Laundering etc. which are responsible for independent review, monitoring and reporting of all risk control parameters and taking appropriate corrective actions wherever necessary. These units also ensure compliance to internal policies and regulatory guidelines.
- **Credit Underwriting:** The Credit Risk team reporting to the Chief Credit Risk Officer, ensures an independent assessment of credit proposals. The Credit Risk team is a specialized 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.

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 the overall responsibility for Risk Management. The Board oversees the Bank's Risk & Control environment and also reviews and approves the policies designed as 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 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.
- Establishes policies governing various aspects of 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 lay down 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 of the Board ("ACB"), Fraud, Willful Defaulters and Non Co-operative Borrowers Monitoring Committee (FWD & NC BMC) and Board Credit Committee ("BCC"), to deal with

the risk management practices, policies, procedures and to have adequate oversight on the risks faced by the Bank.

The Board Committees have in turn set up various Executive level Committees for oversight over specific risks.

1. Apex Management Committee
2. Enterprise Risk Management Committee
3. Model Assessment Committee
4. Management Credit Committee
5. Executive Credit Committee
6. Asset & Liability Management Committee
7. Operational Risk Management Committee
8. Standing Committee on Customer Service
9. Fraud & Suspicious Transaction Monitoring Committee
10. Committee for Classification of Wilful Defaulters & Non-Cooperative Borrowers
11. Accountability Review Committee
12. Whistle Blower Committee
13. Disciplinary Committee
14. Internal Committee under POSH
15. Steering Committee for IFRS (IndAS)
16. Product Process Approval Committee
17. IT Steering Committee
18. Security Council
19. Stressed Asset Monitoring Committee
20. Sustainability Council
21. Fraud Identification Committee
22. 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.

Additionally, in line with best Risk Governance practices, the Bank has independent 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.

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.

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 received several accolades and recognitions from credible industry bodies and organisation.

Some of the key awards won in FY 2023-24:

1. Great Place To Work certification by **the Great Place to Work® (GPTW) Institute, India**
2. Top Performer in Primary Market Segment (Debt - Banks) for F.Y. 2022-23 by **Bombay Stock Exchange (BSE)**
3. Best Bank for Promoting Government Schemes in the Private Sector (Winner) at MSME Banking Excellence Award and Best MSME Bank in the Private Sector (Runner up) at MSME Banking Excellence Award, organised by **Chamber of Indian Micro Small and Medium Enterprises**
4. Winner for Best Product/Service Innovation category at **18th ASSOCHAM Annual Summit & Awards** for Banking & Financial Sector Lending Companies
5. GOLD for Brand Turnaround of the Year, SILVER for Indian Brand of the Year and GOLD for Best Out-of-Home Marketing Campaign of the Year at **BRANDING & MARKETING Summit-cum-Excellence Awards** organised by **ASSOCHAM**
6. Dynamo Award at Karma Summit 2023 from **Goodera** in partnership with **Omidyar Network**
7. Team of the Year Award for 2023 - 24 at **IBLJ Legal Team Garners Award**
8. **Silver SKOCH ESG Award 2024** in Sustainable Finance category
9. **FINNOVITI 2023 AWARD FOR YES PAY HUB** at the **BANKING FRONTEIRS FINNOVITI 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, 2023.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2024, 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.

During the FY 2023 – 24, the Bank had made capital infusion in YSIL of an amount aggregating to ₹ 1,000 million through acquisition of 1,79,37,200 equity shares of ₹ 10 each at a premium of ₹ 45.75 per share, of YSIL under Rights Issue.

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

YSIL is a Wholly Owned Subsidiary of the Bank that completed eleventh year of its operation in the FY 2023 – 24. 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, 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 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 Investment Adviser, Research Analyst as well 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 and YES Wealth Maximiser AIF which are registered with

SEBI as Category III Alternative Investment Funds. YSIL is also registered with Association of Mutual Funds of India.

Further, effective from January 01, 2024, YSIL has transferred its Investment Banking business and Merchant Banking business to the Bank so as to focus on its core business activities which *inter-alia* includes broking business.

The Consolidated Financial Statements of the Bank for the Financial Year ended March 31, 2024 prepared in accordance with the requirement of Section 129(3) of the Companies Act, 2013 shall be laid at 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 is provided in Form AOC-1 which 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>. The Financial Statements of the Bank and its Subsidiary Company 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

Subsequent to March 31, 2024, the Bank has received the remaining amount towards conversion of the outstanding share warrants (being an amount equivalent to 75% of the exercise price of the per Share Warrants of ₹ 14.82) aggregating to ₹ 14,225.88/- million each from CA Basque Investments on April 18, 2024 and from Verventa Holdings

Limited on May 05, 2024 respectively (for 1,27,98,80,909 Share Warrants each on both instances).

Further, pursuant to allotment of the Equity Shares on conversion of the aforesaid Share Warrants in the ratio of 1:1, the total issued, and paid-up share capital of the Bank increased from ₹ 57,535.76/- million consisting of 28,76,78,82,106 equity shares of face value ₹ 2/- each as on March 31, 2024 to ₹ 62,659.29/- million consisting of 31,32,96,43,483 equity shares of face value ₹ 2/- each as on May 5, 2024. Moreover, there was also a resultant increase in share premium of the Bank from ₹ 366,612.15 million as on March 31, 2024 to ₹ 399,428.30 million as on May 5, 2024.

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 PARTIES¹

During the year, the Bank has entered into transactions with the related parties in the ordinary course of business, except the following transactions with YES Securities (India) Limited (wholly-owned subsidiary), for which necessary approvals were taken from the Board of Directors:

- Transfer of Merchant Banking Business and Investment Banking Business from YES Securities (India) Limited to the Bank
- Capital Infusion by the Bank

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. The details of the transactions with related parties, were placed before the Audit Committee of the Board of the Bank from time to time. There were no material individual transactions required 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) and the RBI Master Direction on Financial Statements- Presentation and Disclosure (last updated on April 1, 2024) have 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 requirements of Regulation 23(9) of Listing Regulations for the half year ended September 30, 2023 and March 31, 2024 respectively.

The Board of Directors have formulated a Policy 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.

DIRECTORS & KEY MANAGERIAL PERSONNEL

As on the date of this Report, the Board of Directors of the Bank comprises of thirteen (13) Directors with an optimum combination of Executive and Non-Executive Directors.

The appointments on the Board of Directors of the Bank are governed by the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and the rules, guidelines and circulars issued by the RBI from time to time.

During the Financial Year 2023-24, Mr. Sunil Kaul and Ms. Shweta Jalan, Non-Executive Directors and Nominee of CA Basque Investments and Nominee of Verventa Holdings Limited respectively were recategorized as Non-Executive Directors retiring by rotation. Further, Mr. Thekepat Keshav Kumar and Mr. Sandeep Tewari, Nominee Directors of State Bank of India were categorized as Nominee Director non-retiring directors.

Mr. Sunil Kaul, Non-Executive Director, Nominee of CA Basque Investments was liable to retire by rotation and being eligible was reappointed by the members of the Bank at the 19th AGM held on August 18, 2023.

RETIREMENT BY ROTATION:

In terms of Section 152 of the Companies Act, 2013, Ms. Shweta Jalan, Non-Executive Director, Nominee of Verventa Holdings Limited is liable to retire at the ensuing Annual General Meeting and being eligible seeks re-appointment. A resolution seeking shareholders' approval for the re-appointment forms part of the Notice of said AGM.

¹GRI 2-15



KEY MANAGERIAL PERSONNEL OF THE BANK:

As on the date of this Report, following are the Key Managerial Personnel of the Bank in terms of the provision of Section 203(1) read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) Mr. Prashant Kumar, Managing Director & Chief Executive Officer;
- (ii) Mr. Rajan Pental, Executive Director;
- (iii) Mr. Niranjana Banodkar, Chief Financial Officer; and
- (iv) Mr. Shivanand Shettigar, Company Secretary.

During the FY 2023-24, there has been no change in the Key Managerial Personnel of the Bank.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Bank has received necessary declarations from each Independent Director under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the 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 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 IT'S 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.

¹GRI 2-18

PERFORMANCE EVALUATION OF THE BOARD¹

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, the Board has carried out the performance evaluation of the Directors including Chairman, Managing Director & CEO, Executive Director, Board Level Committees and Board as a whole for the FY 2023-24.

During the year, Board Performance Evaluation exercise was conducted through an Independent External Agency of repute in the subject and for ensuring candid participation by each Board Member.

Online questionnaires were circulated for the evaluation of the Board, its Committees and the individual members of the Board (including the Chairman, Managing Director & CEO and Executive Director), in accordance with the performance evaluation framework.

The said questionnaires covered various aspects of evaluation, including the following:

- i. **Individual Directors** – Attendance and Participation, Contribution in Strategic Planning, Responsibilities towards Stakeholders, collaborative relationship with other directors, active participation and contribution during meetings, Compliance & Governance and Updation of Knowledge.
- ii. **MD&CEO and Executive Director** – Experience and Knowledge, Performance of the Bank, 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, balance of skill sets, 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 evaluation methodology in addition to the detailed online questionnaires covering various parameters relevant for the Board and Committees also had a one-on-one discussion with the Directors.

Based on the assessment of the responses received to the questionnaire from the Directors, the Independent Directors at their meeting held on May 17, 2024, 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 May 17, 2024, 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 performance evaluation process for FY 2023 - 24 conducted through the Independent External Agency, was completed to the satisfaction of the Board. The outcome of the evaluation portrayed Board Members confidence in the ethical standards of the Bank, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information and updates to enable Board Members to discharge their responsibilities and fiduciary duties.

The feedback from the performance evaluation was shared with respective Directors, Board and Board Level Committees for further action. The Board of Directors also identified specific actionable with due emphasize and focus on sustainable improvement in governance practices, business strategy and growth, long term succession planning and talent management.

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 POLICY¹

The Board of Directors of the Bank had formulated and adopted Policy 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?name=board_kmp_sr_mgmt_remuneration_policy_pdf.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 REMUNERATION¹

- (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 www.yesbank.in/pdf?name=esos_disclosure_pursuant_to_regulation_31march2024.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

¹GRI 2-19, GRI 2-20



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.

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 shareholders of the Bank at the 17th Annual General Meeting ('AGM') held on August 27, 2021 had approved the appointment of M/s. Chokshi & Chokshi LLP, Chartered Accountants, (ICAI Firm Registration No. 101872W/W100045) as one of the joint statutory

auditors of the Bank. M/s. Chokshi & Chokshi LLP was appointed until the conclusion of 20th AGM of the Bank which is to be held in the year 2024. The shareholders of the Bank at the 19th Annual General Meeting ('AGM') held on August 18, 2023 approved the appointment of M/s G.M. Kapadia & Co., Chartered Accountants, (ICAI Firm Registration No. 104767W) until the conclusion of 22nd AGM of the Bank which will be held in the financial year beginning April 1, 2026, accordingly they have two more full year terms to continue as one of the joint statutory auditors of the Bank subject to RBI approval for re-appointment from time to time.

The Board of Directors, on the recommendation of the Audit Committee, has finalized for recommendation to RBI for approval, the name of M/s CNK & Associates LLP, Chartered Accountants, (ICAI Firm Registration No. 101961W/ W100036) as the first preferred firm to act as Joint Statutory Auditors of the Bank in relation to the Financial Years 2024-25, 2025-26 and 2026 – 27, subject to approval of the shareholders at the ensuing Annual General Meeting (AGM). This firm shall act as the Joint Statutory Auditors along with M/s G. M. Kapadia & Co., Chartered Accountants for the remainder of the latter's tenure. Appropriate resolutions in this regard are also being proposed at the ensuing AGM.

There were no qualifications, reservation or adverse remarks made by the Statutory Auditors in the Auditor's Report for Financial Year 2023-24.

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 2023-24. The Bank provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors for the FY 2023-24 is annexed to this report as Annexure 3. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report for FY 2023-24.

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 2023-24. 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 FY 2023-24, 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 bonds have emerged as a mainstream financing mechanism for providing structured finances to vital clean energy and are playing a pivotal role in realization of India's renewable energy potential. Since the maiden issuance by YES BANK, the Green Bonds market has witnessed a steady growth. Driven by its commitment on mainstreaming green finance, YES BANK has issued three green bonds, out of which two green bonds are outstanding as of March 31, 2024:

- February 2015:** YES BANK issued India's first-ever Green Infrastructure Bonds, raising an amount of ₹ 1,000 crore (bearing ISIN: INE528G08279). This 10 year tenor bond witnessed strong demand from leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds
 - August 2015:** YES BANK raised ₹ 315 crore through the issue of Green Infrastructure Bonds (bearing ISIN INE528G08295) to International Finance Corporation on a private placement basis. The bonds are for a tenor of 10 years.
 - December 2016:** YES BANK raised ₹ 330 crore, through an issue of a 7-year Green Infrastructure Bonds (bearing ISIN INE528G08360) to FMO, the Dutch Development Bank, on a private placement basis. The green infrastructure bonds have been redeemed upon maturity in December 2023.
- The proceeds of the outstanding green infrastructure bonds are used to finance Green Infrastructure Projects as per 'Eligible Projects' outlined in the Bank's internal guidelines that are in adherence to the Green Bond Principles (GBP).
- 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. The evaluation moves to documentation and appraisal of projects as per Bank's policies and confirmation of the eligibility for Green Bonds
 - Management of Proceeds:** Green Bond allocations to eligible projects are tracked by the Bank through an MIS based 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
 - Qualitative/Quantitative potential impacts associated with projects
 - 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. The financed solar and wind projects help in climate change mitigation with avoidance of emissions of CO₂, SO₂, NO_x and other air pollutants associated with fossil fuel-based energy generation. Estimated CO₂ emission avoidances are shared along with project details.

List of projects against which outstanding green bond proceeds have been allocated as on March 31, 2024 is provided below:

Proceeds utilization against Bond Issuance Size of ₹ 1,000 crore (February 2015)				
Sr. No	Project Location	Description	Total Fund Based Utilization, ₹ crore (as on March 31, 2024)	Attributed Estimated* positive E&S impacts – Annualized potential CO ₂ Emission Avoidance (tCO ₂ / yr)
1	Maharashtra	10 MW wind energy project	4.913	1,087
2	Gujarat	8.75 MW wind energy project	2.143	130
3	Andhra Pradesh/ Rajasthan	105 MW wind energy project in Andhra Pradesh and 50.4 MW in Rajasthan	201.870	51,298
4	Maharashtra	15.5 MW solar energy project	60.753	18,973
5	Gujarat	18.34 MW solar energy project and 17.60 MW wind energy project	153.840	48,681
6	Rajasthan	4.8 MW solar energy project	28.198	1,541
7	Gujarat	5 MW solar energy project and 4.4 MW wind energy project	50.107	15,248
8	Gujarat	6.67 MW solar energy project and 6.60 MW wind energy project	71.284	23,416
9	Rajasthan	300 MW solar energy project	426.892	148,762

*The attributed CO₂ emission avoidance for individual projects have been calculated based on the methodology outlined in the document 'PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition' and 'CO₂ Baseline Database for the Indian Power Sector User Guide Version 19.0 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 independent verification statement issued by DNV Business Assurance India Private Limited 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 in 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, 2024 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 Company 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 no tolerance towards any act on the part of 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 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. The Bank forewarns its employees from indulging in any unwelcome acts or behaviour, which could be construed as sexual harassment, either directly or impliedly. Such acts shall be treated as a serious misconduct under the Bank's Code of Conduct and would be dealt with utmost seriousness with regard to imposition of punishment, if found guilty. Additionally, in its endeavor to spread awareness on the aforementioned policy and ensure compliance by all the employees, the Bank has implemented a plan of action to disseminate the information and train the employees on the policy under the ambit of 'Gender Respect and Commitment to Equality' ("GRACE") programme.

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 follows¹:

Particulars	No. of Complaints
Number of Complaints carried forward from last year (FY2022-2023)	06
Number of Complaints filed during the Financial Year (FY2023-2024)	23
Number of Complaints disposed of during the Financial Year (FY2023-2024)	25
Number of Complaints pending as on the end of the Financial Year (FY2023-2024)	04*

**The investigation and action for these cases will be completed within the stipulated 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
- 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

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Rama Subramaniam Gandhi
Chairman
(DIN: 03341633)

Place: Mumbai
Date: May 17, 2024

¹GRI 2-16



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:

- The ratio of the remuneration[#] of each Director to the median remuneration of the employees for the financial year; and**
- Percentage increase in remuneration[#] 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 ¹	Non-Executive Part Time Chairperson, Independent Director	7.1x	-
Mr. Atul Malik	Independent Director	8.2x	-
Ms. Rekha Murthy	Independent Director	5.6x	-
Mr. Sharad Sharma	Independent Director	5.6x	-
Mr. Sandeep Tewari	Nominee Director of State Bank of India	4.5x	-
Mr. Thekepat Keshav Kumar	Nominee Director of State Bank of India	6.2x	-
Mr. Sadashiv Srinivas Rao	Independent Director	6.3x	-
Ms. Nandita Gurjar	Independent Director	3.6x	-
Mr. Sanjay Kumar Khemani	Independent Director	4.5x	-
Mr. Sunil Kaul ²	Non Executive Director (Nominee of CA Basque Investments)	-	-
Ms. Shweta Jalan ²	Non Executive Director (Nominee of Verventa Holdings Limited)	-	-
Mr. Prashant Kumar ³	Managing Director & CEO	47.5x	8.7%
Mr. Rajan Pental ⁴	Executive Director	51.8x	-
Mr. Niranjana Banodkar	Chief Financial Officer	NA	12.6%
Mr. Shivanand R. Shettigar	Company Secretary	NA	9.9%

- The percentage increase in the median remuneration of employees in the financial year:**

The median remuneration of the employees in the financial year was increased by 13.97%. For the calculation of % increase in Median Remuneration only employees who were in employment for the whole of financial year 2023-24 have been considered. Employees who were not eligible for increment have been excluded.

- The number of permanent employees on rolls of the Bank:**

There were 28,001 employees as at March 31, 2024.

- 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 2023-24 was 14.80% and average remuneration increase for managerial personnel of the Bank during the financial year 2023-24 was 7.21%. For the calculation of average remuneration increase of non-managerial personnel only employees who were in employment for the whole of financial year 2023-24 have been considered. Employees who were not eligible for increment have been excluded.

6. Affirmation that the remuneration is as per the remuneration policy of the Bank:

Yes.

Notes:

- I. [#]Remuneration includes Fixed Pay + Performance Bonus paid during the year + perquisite value as calculated under the Income Tax Act, 1961. Remuneration does not include value of Stock Options.
- II. ¹Remuneration to Mr. Rama Subramaniam Gandhi in the FY 2023-24, consists of following:
 - i. Fixed remuneration paid during FY 2023-24 for the FY 2022-23, as per limits prescribed under the RBI 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 of the Bank at the Eighteenth Annual General Meeting.
 - ii. Sitting fees for attending meetings held during FY 2023-24, of the Board/Committees/Independent Directors.
 - iii. Fixed remuneration paid for FY 2023-24 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. ²Mr. Sunil Kaul and Ms. Shweta Jalan 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.
- IV. The remuneration of the Non-executive Director (other than the Non-Executive Part-time Chairman) of the Bank, for FY 2023-24, comprises:
 - (i) compensation in the form of fixed remuneration as per limits prescribed under the RBI 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 2023-24, of the Board/Committees/Independent Directors.
- V. During the FY 2023-24 and FY 2022-23, fixed remuneration for FY 2022-23 and fixed remuneration for FY 2021-22, was paid to Non-Executive Directors respectively on proportionate basis. Accordingly, Non-Executive 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 fixed remuneration received is only for the part of the year(s).
- VI. ³Remuneration in case of Managing Director & CEO is regulated by RBI guidelines and is paid post approval of RBI.
- VII. ⁴Remuneration in case of Executive Director is regulated by RBI guidelines and is paid post approval of RBI. Mr. Rajan Pental has been appointed as Executive Director of the Bank from February 2, 2023. Accordingly, the percentage increase is not given since the fixed remuneration for Executive Director role was received only for part of the year, FY 2022-23.



Annexure 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A BRIEF OUTLINE OF THE BANK'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS 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 and 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, 2024 is as under:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR&ESG Committee held during the year	Number of meetings of CSR&ESG Committee attended during the year
1	Ms. Rekha Murthy	Chairperson, Independent Director	3	3
2	Mr. Sadashiv Srinivas Rao	Member, Independent Director	3	3
3	Ms. Nandita Gurjar	Member, Independent Director	3	3
4	Ms. Shweta Jalan	Member, Non-Executive Director	3	2
5	Mr. Rajan Pental	Member, Executive Director	3	3

During FY 2023-24, three (3) meetings of the Corporate Social Responsibility and Environmental, Social and Governance Committee were held on May 11, 2023, July 14, 2023 and February 09, 2024.

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

- c) For CSR Projects: In terms of Section 135(5) of the Companies Act, 2013 the average net profit was negative and the Bank was not required to spend on any CSR Project in FY 2023-24. Therefore, the Bank was not required to approve and display any projects under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014. However, a total CSR expenditure of ₹ 10.5 crore was incurred by the Bank in FY 2023-24, of which ₹ 10 crore was towards programmes and ₹ 50 lakh was towards administrative overheads. The link for the CSR Annual Action Plan for this excess spending: https://www.yesbank.in/pdf/ybl_csr_annual_action_plan_FY_2023_24

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

- 5.** (a) 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
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135 - NIL
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - NIL
- (d) Amount required to be set-off for the financial year, if any – NIL
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] – NIL
- 6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ 10 crore
- (b) Amount spent in Administrative Overheads – ₹ 50 lakh
- (c) Amount spent on Impact Assessment, if applicable – Not applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ 10.5 crore
- (e) CSR amount spent or unspent for the Financial Year: Not applicable

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
₹ 10.5 crore	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 0.0
(ii)	Total amount spent for the Financial Year	₹ 10.5
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 10.5
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	₹ 0.0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 10.5



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						

Not Applicable

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)	(6)
		Not Applicable			CSR
					Name
					Registered address
					Registration Number, if applicable
					Not 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 17, 2024

Annexure 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2024

[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 March 31, 2024 (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 for 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 as applicable to the Bank given by the Key Managerial Personnel / Senior Managerial Personnel of the Bank and taken on record by its Audit Committee / Board of Directors; and
- (iii) Representations made, documents produced and information provided by the Bank, its officers, agents and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the Audit Period covering the financial year ended on March 31, 2024, 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 applicable.
 - (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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;



- (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (h) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- (i) 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 its applicability to the Bank.
 - (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

19th Annual General Meeting (AGM) held on 18th August, 2023 and a Postal Ballot conducted by the Bank which concluded on 28th March, 2024. 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.
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 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, Govt. of India;
- (iii) The IRDAI (Registration of Corporate Agents) Regulations, 2015.
- (iv) Directions/Circulars issued by the Reserve Bank of India from time to time on various matters impacting the operations of the Bank.

2. BOARD PROCESSES OF THE BANK:

We further report that:

- 2.1. During the Audit Period, there were no changes in the composition of the Board of Directors and Key Managerial Personnel of the Bank.

2.2. The Board of Directors of the Bank as on March 31, 2024 comprised of:

i. Two Executive Directors -

- Mr. Prashant Kumar (DIN - 07562475) who is the Managing Director and CEO;
- Mr. Rajan Pental (DIN - 08432870) who is the Executive Director.

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 before the dates of the meetings were 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) In respect of certain matters, some of the members of the Board have expressed their dissent and the same has been duly recorded in the minutes of the respective Meetings of the Board.

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 as also considering the period till the date of issuance of this report, the following specific event(s)/action(s), having a major bearing on the Bank's affairs have taken place: -

4.1. The Board of Directors at its meeting held on 12th May, 2023 has recommended Alteration in the Articles of Association ("AOA") of the Bank in compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('NCS Regulations') as amended vide its notification dated February 2, 2023. The shareholders have approved the alteration, by way of special resolution at the AGM held on 18th August, 2023 and the following new clause No. 111B after clause no. 111A has been inserted in the AOA of the Bank:

111B Notwithstanding anything contained in these Articles, in case of default in payment of interest or repayment of principal amount due on the Unsecured Non-Convertible Securities issued by the Company, the Board shall be obliged to appoint the person nominated by the Debenture Trustee(s), as a Director on its Board within one month from date of receipt of nomination from the Debenture Trustee(s) or such other date as may be applicable from time to time, after necessary due diligence of the candidature of the person so nominated. Any provision regarding share qualification, shall not apply to such person(s) nominated by the Debenture Trustee(s).

4.2. The Board of Directors at its meeting held on 23rd June, 2023 has approved the Borrowing/raising



of funds in Indian/foreign currency up to an amount of ₹ 2,500 crore by issue of debt securities including but not limited to non-convertible debentures, bonds, Medium Term Note (MTN) etc. in terms of Sections 42, 71 and other applicable provisions of the Companies Act, 2013 read with Rules thereunder, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI Listing Regulations and other applicable laws, if any, which is subject to necessary approvals from shareholders/ regulators, as applicable. The shareholders have approved Borrowing/raising of funds by way of special resolution at the Annual General Meeting ("AGM") held on 18th August, 2023.

- 4.3. The Bank has, on 28th September, 2023, acquired further 1,79,37,200 equity shares of ₹ 10 each at a premium of ₹ 45.75 per share, of YES Securities (India) Limited, a wholly owned subsidiary of the Bank ("YSIL"), for an amount aggregating to ₹ 99,99,98,900 under a Rights Issue. Percentage of holding post-acquisition of further shares in YSIL by the Bank continues to be 100%.
- 4.4. The Board of Directors at its meeting held on 27th January, 2024 accorded its approval for transfer of the Investment Banking and Merchant Business from Yes Securities (India) Ltd., to Yes Bank Limited for an overall consideration of ₹ 2.06 crore and this has been made effective from January 1, 2024.
- 4.5. The Bank has received approval on 14th March, 2024 from the National Payments Corporation of India ("NPCI") for enabling transition of following payments services managed by Paytm Payments Bank Limited (PPBL):
 - i. Paytm UPI App (owned by One97 Communication Ltd - OCL) - UPI consumer application;
 - ii. UPI collection for Offline Merchant Acquiring via OCL and Online Merchants via Paytm Payment Service Pvt Ltd (PPSL).
- 4.6. The Board of Directors of the Bank on April 21, 2024, has considered and approved the allotment of 127,98,80,909 (One Hundred Twenty-Seven Crore

Ninety-Eight lakh Eighty Thousand Nine Hundred and Nine) fully paid-up equity shares of face value of ₹ 2/- each to CA Basque Investments ("Equity Shares") pursuant to exercise of 127,98,80,909 (One Hundred Twenty-Seven Crore Ninety-Eight lakh Eighty Thousand Nine Hundred and Nine) share warrants allotted to CA Basque Investments on December 13, 2022 at a price of ₹ 14.82 per share warrant ("Warrants"). The Bank is in receipt of the remaining consideration for the Warrants (being an amount equivalent to 75% of the exercise price of the Warrants of ₹ 14.82 per Warrant), aggregating to ₹ 1,422,58,76,303/- (Rupees One Thousand Four Hundred Twenty-Two Crore Fifty-Eight lakh Seventy-Six Thousand Three Hundred and Three only).

Pursuant to the above allotment of the Equity Shares, the total issued and paid-up share capital of the Bank stands increased to the extent, number of equity shares allotted CA Basque Investments.

- 4.7. In the matter of the write-off of AT-1 Bonds by the Reserve Bank of India aggregating to ₹ 8,415 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 ("**BHC**") 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. After hearing the relevant parties, the Hon'ble Supreme Court vide its Order dated March 03, 2023 has 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 as 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 noticee(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) have been listed for hearing on a future date.

4.8. The Bank has allotted 1,31,06,772 Equity Shares of face value of ₹ 2/- (Rupees Two Only) each, to eligible employees, in pursuance of the YBL ESOS-2020 Scheme 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: F002440F000258696

Date: April 27, 2024

Place: Mumbai

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 March 31, 2024

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: FOO2440F000258696

Date: April 27, 2024

Place: Mumbai

Annexure 4



WHEN TRUST MATTERS

YES BANK LIMITED

USE OF PROCEEDS OF GREEN BONDS TO THE ELIGIBLE GREEN PROJECTS

FY2024 Quarterly Verification

Document Title: YES Bank's Use of Proceeds of Green Bonds to the eligible Green Projects, FY2024 Quarterly Verification

Prepared By: DNV Business Assurance India Pvt Ltd

Location: Mumbai, India

Date: 24 April 2024

DNV Reference (Project Number): PRJN-744218



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)



Scope and Objectives

YES Bank Limited ("YES Bank" or the "Customer") has three Green Infrastructure Bonds issuance against its pool of eligible projects and assets.

1. February 2015: Raised an amount of INR 1000 crore (bearing ISIN INE528G08279) through leading investors including Insurance companies, Pension & Provident Funds, Foreign Portfolio Investors, New Pension Schemes and Mutual Funds
2. August 2015: Raised an amount of INR 315 crore (bearing ISIN INE528G08295) through International Finance Corporation (IFC) on a private placement basis.
3. December 2016: Raised INR 330 crore (bearing ISIN INE528G08360) through an issue of a 7-year Green Infrastructure Bonds to the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), the Dutch Development Bank, on a private placement basis.

DNV Business Assurance India Pvt Ltd (henceforth referred to as "DNV") notes that the December 2016 bond of INR 330 crore have matured and is therefore not included in this scope/report.

YES Bank has used the proceeds of the Green Bonds to finance the nominated projects and assets included within the following eligible green project categories as detailed in the YES Bank Green Bonds Internal Guidelines & Processes (Green Bonds Framework, V9.0, dated 12th Mar'24):

Green Bond details	Eligible green projects for allocations ¹
GB1: Issued in February 2015 (Institutional Investors) (INR 1000 Cr) ¹	Renewable and clean energy projects, in accordance with Green Bonds Principles including generation from sources such as Wind, Solar, Biomass, Hydropower and other such projects.
GB2: Issued in August 2015 (Private placement by IFC) (INR 315 Cr) ²	Renewable Energy projects, in accordance with the Green Bond Principles. RE resources shall include only solar and wind projects.

¹The list of projects in which the Green Bonds Proceeds of February 2015 bond have been utilized is provided in Annexure I

²The Green Bonds Proceeds of August 2015 bond are unallocated and decaration for intended investments has been checked by DNV. Based on the evidence verified, DNV can can confirm that as of April 2024 that the August 2015 tranche has not been allocated. As the disclosure is price sensitive and confidential, same has been not reproduced.

DNV has been commissioned by YES Bank to provide the Quarterly Programmatic Verification of the Green Bonds as an independent and approved verifier. In addition, DNV Business Assurance India Pvt Ltd is also approved as validation and verification body as per ISO 17029. Our criteria and information covered to achieve this is described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the Green Bonds, the value of any investments in the Green Bond, or the long term environmental benefits of the transactions. Our objective has been to provide a limited verification for use of proceeds of the funds raised through Green Bonds in February 2015 and August 2015 as below:

- Quarterly third-party verification of the use of proceeds allocated to the eligible Green Projects in line with the Clause 2.1 of Chapter IX-Green Debt Securities of Operational Circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (updated as on April 13, 2022).



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- Quarterly third-party verification service of the use of proceeds allocated to the eligible Green Projects as International Capital Markets Association ("ICMA") Green Bond Principles ("GBP") requirements for alignment with four components of GBP.

The Statement is based on information and data covering the period from 01 January 2024 to 31 March 2024.

Responsibilities of the Management of YES Bank and DNV

The management of YES Bank has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform YES bank management and other interested stakeholders in the Green Bonds as to whether the Sector Technical Criteria identified above have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by YES Bank. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect as a result of the information or data provided by Yes Bank's management and used as a basis for this assessment not being correct or complete.

Basis of DNV's Opinion

DNV has conducted the verification against the requirements of the Green Bond Principles, 2021 and Clause 2.1 of Chapter IX-Green Debt Securities of Operational Circular no SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (updated as on April 13, 2022).

As per our Protocol, the criteria against which the Green Bonds have been reviewed are grouped under the four Principles:

- Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Bond must use the funds raised to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.
- Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green bond should outline the process it follows when determining eligibility of an investment using the Green bond proceeds and outline any impact objectives it will consider.
- Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Green bond should be tracked within the issuing organisation and that a declaration of how unallocated funds will be handled should be made.
- Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work Undertaken

Our work constituted a high level review of the available information, based on the understanding that this information was provided to us by YES Bank in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. We believe with our professional judgement that the procedures performed for limited assurance are sufficient and appropriate based on the supportive evidences. The work undertaken to form our verification opinion included:

Programmatic Verification

- Assessment of documentary evidence provided by YES Bank in relation to the Green Bonds, and supplemented by a high-level desktop research, onsite visit for documentation review and



interactions with key personnel from the issuer YES Bank. These checks refer to current assessment best practices and standards methodology.

- Review of the list of projects to which GB1 proceeds have been allocated during 01 January 2024 to 31 March 2024 and their conformance with GBP.
- Checked Green Bond Framework of YES Bank, that provides the guidelines and internal process for proceeds management and utilization adopting components and requirements of GBP and SEBI Circular (Chapter IX). The SPO on the framework was issued by KPMG dated 7th June 2016.
- Review of internal tracking sheet and allocation of funds from the Green Bond proceeds to eligible projects and fund based outstandings.
- Review of estimated environment impact of the selected projects in terms of carbon dioxide emission reductions data from projects as per the methodology using supportive information provided.
- Discussions with key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework, have been implemented.
- Statement indicating intended investments for the balance of unallocated proceeds from Green Bonds (GB2) issued by YES Bank.
- Documentation of findings against each element of the criteria.

Findings and DNV's Opinion

DNV has performed the Quarterly Programmatic Verification of the YES Bank Green Bonds for the financial year ended 31 March 2024. It is DNV's responsibility to provide an independent verification statement on the compliance of the YES Bank's Green Bonds with the Sector Technical Criteria.

DNV conducted the verification in accordance with ISAE 3000 (revised) - *International Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Sector Technical Criteria were consistently and appropriately met and ii) the collection of evidence supporting the verification.

DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that each Bond continues to meet the requirements of the Sector Technical Criteria.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, for the financial year 2023-24, the YES Bank Green Bonds issued in February 2015 and August 2015 are not, in all material respects, in accordance with the requirements of the associated Sector Criteria including ICMA Green Bond Principles, 2021 and Clause 2.1 of Chapter IX-Green Debt Securities of Operational Circular by SEBI 2021."

DNV has reviewed the impact reporting metrics associated with the current reporting period including verification of a sample of calculations, references and values. Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, for the 2024 financial year, the impact reporting metrics are not, in all material respects reasonable and correct.



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For DNV Business Assurance India Pvt. Ltd.

Mumbai, India / 24 April 2024



Name – Anjana Sharma
Lead Verifier

Roshni Sarage - Verifier
Ankita Parab - Verifier



Name – Thomas Leonard
Assurance Reviewer

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.



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Annexure I: Verified Yes Bank Green Bonds Proceeds utilization against Bond Issuance Size of INR 1,000 Cr (February 2015)

Proceeds Utilization Against Bond Issuance Size					
Sr. No	Project Location	Description	Proceeds utilization against	Total Fund Based Utilization, INR Crs (as on 31 st March, 2024)	Attributed Estimated positive E&S impacts - CO ₂ Emission Avoided (tCO ₂ / yr) ¹
1	Maharashtra	10 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	4,913	1,087
2	Gujarat	8.75 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	2,143	130
3	Andhra Pradesh/ Rajasthan	105 MW wind energy project in Andhra Pradesh and 50.4 MW in Rajasthan	Bond Issuance Size of INR 1,000 Cr (February 2015)	201.870	51,298
4	Maharashtra	15.5 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	60,753	18,973
5	Gujarat	18.34 MW solar energy project and 17.60 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	153.840	48,681
6	Rajasthan	4.8 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	28.198	1,541
7	Gujarat	5 MW solar energy project and 4.4 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	50.107	15,248
8	Gujarat	6.67 MW solar energy project and 6.60 MW wind energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	71.284	23,416
9	Rajasthan	300 MW solar energy project	Bond Issuance Size of INR 1,000 Cr (February 2015)	426,892	148,762
				1000.000	309,135

¹ The attributed CO₂ emission avoidance for individual projects have been calculated based on the methodology document outlined in the document PCAF (2022) (The Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition) and CO₂ Baseline Database for the Indian Power Sector User Guide Version 19.0 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.



Annexure 5

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy:

In FY 2023-24, the Bank completed its migration to 100% light-emitting diode (LED) fixtures in all its offices. The Bank is in the process of phasing out air conditioning (AC) systems that use ozone depleting coolants and replace ACs 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. Currently, the Bank's corporate office YES BANK House and Fintech Centre at Airoli Navi Mumbai, along with 43 Branches in Mumbai have been switched to renewable energy.

3. The capital investment on energy conservation equipment:

₹ 2.98 crore was spent during the current financial year on energy conservation including AC retrofitting and signage replacements at corporate offices and branch locations.

B. TECHNOLOGY ABSORPTION

The modern-day technology is objectively driven to serve the purpose and it revolves around the strong foundation of efficacy, efficiency, sustainability, scalability, agility, compliance, strategic & transformation Initiatives and Innovation to deliver an enhanced customer experience. The Bank objectively works upon these building blocks to deliver better experience to all our stakeholders.

I. EFFORTS TOWARD TECHNOLOGY ABSORPTION AND THE BENEFITS DERIVED

Our Bank's technology absorption and strategy is based on the following broad principles that are in-step with the business strategy.

1. Delivering Sustainable and Scalable Ecosystem:

The Banks Infrastructure / Application and service ecosystem are designed and periodically evaluated to ensure that they meet the Medium / Long term goals as well as deliver to scale with appropriate levels resilience and availability.

This includes employing design principles, optimizing code for efficiencies and incorporating services that are composable for reusable. Key servicing and system of record platforms are designed with sustainability in mind. This involves choosing data centre environments with robust/energy efficient and are highly resilient.

Scalability is a critical consideration in technology design and implementation, especially in today's fast-paced and dynamic digital landscape. The Bank continuously strives to increase the system's ability by means of vertical & horizontal scaling, architecture optimization & data processing framework to manage increasing workload, user base and data volume while maintaining performance, reliability and efficiency.

2. Efficiency:

Efficiency in technology at Bank is a constant and evolving process that involves optimizing operational workflows, building automation to achieve maximum output with minimal input as also periodically reimaging process to drive process effectiveness and efficiencies.

The Bank has embarked upon a prioritised programme to aggressively implement Robotic Process Automation (RPA) tools infused with AI for key operational workflows. In addition, enabling Straight Through Processing (STP) with appropriate checks/balances are being

embedded across the operational and service lifecycles with integration to Enterprise risk systems.

Multiple initiatives across Operations/ Credit/ Technology Operations are underway that involve streamlining workflows, automating repetitive tasks, improving performance.

Efficiency leads to cost savings, increased productivity and better resource utilization and allowing businesses to respond with agility to market changes and customer demands.

The Bank has adopted the build of driving efficiencies through latest tools viz. low code no code (Rapid application development) platform to build software with minimal hand-coding, using visual interfaces and pre-built components. This promotes collaboration, innovation and faster time-to-market for software projects.

3. Governance / Compliance / Security:

Staying compliant and being secure by design is one of our key sustainability focus area.

Being compliant with evolving regulatory expectation across system processes / data storage / customer service enablement is non-negotiable.

Bank ensures that its platform/technology solutions adhere to industry-specific compliance requirements, such as Data localization, Tokenization, PA DSS or PCI DSS.

Additionally, robust security measures are implemented to protect sensitive data and mitigate cybersecurity risks.

As a part its multi layered governance process, the maturity of the organisation technology process / security framework / data management is managed through the three layered defense approach.

Across its security framework, the Bank deploys multiple security capability viz. Distributed denial of service (DDOS), Database activity monitor (DAM), System information & event management (SIEM), Data loss prevention (DLP), Identity & access management (IDAM), Patching tool and

Cloud security management through industry leading tools. Multiple high priority and focused programmes are underway that is aimed to further enhance our security posture.

4. Strategic and Transformational Initiatives:

Bank has embarked multiple transformational initiatives that are aligned to supporting growth / driving efficiency or managing technology obsolescence upon.

Broad categories of these initiatives include:

- a. Building a customer centric unified onboarding programme.
- b. Enabling an AI powered data analytics and next generation enterprise warehouse.
- c. Modernization of core system of records and orchestration platforms.
- d. Driving API led expansion with partners across business lines with an ability to drive a Sandbox led agile integration.
- e. Modernising the capabilities for the SME and Corporate Banking through the build out of next generation online & mobile led capabilities.

As we embark upon multiple strategic initiatives, the focus is also towards enabling an agile delivery ecosystem (DevOps) including testing and enabling these through automation of processes with adequate checkpoints.

5. Innovation - Banking for the future:

As a forward-thinking, the Bank constantly looks to embrace technologies, that are next generation and evaluate the ability for mainstreaming through a structured value proposition led evaluation.

As part of the Bank's IT Strategy, it has setup an Innovation and Development Center of Excellence (CoE) to have self-sufficiency, promote new technology adoption (AI/Gen AI), scale the development, reduce external dependence.

Proof of Concepts using Generative AI to support customer services across channels are currently being developed / tested as a part of the Innovation Center.



II. 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 has 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
Amrut Software Pvt Ltd (Atlassian Corporation Plc)	25-Jan-24	Yes	NA
OutSystems Singapore Pte Ltd	20-Dec-23	Yes	NA
Bolero International Limited	04-Aug-23	Yes	NA
CSC Corporate Domains, Inc.	22-Aug-23	Yes	NA
Technology Nexus International AB	08-Aug-23	Yes	NA
SGX FX Systems Singapore Pte. Ltd.	08-Feb-24	Yes	NA
APNIC Pty Ltd	01-Jan-24	Yes	NA
iValue InfoSolutions Pvt. Ltd.	27-Apr-23	Yes	NA
CS INFOCOMM PRIVATE LIMITED	17-Feb-24	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 imported technologies have been fully absorbed and there are continuous developments being done on these imports.

III. THE EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT: Nil

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, 2024, the Bank earned ₹ 9,667.36 million and spent ₹ 15,747.97 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 17, 2024

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Rama Subramaniam Gandhi
Chairman
(DIN: 03341633)

Corporate Governance Report

(The Report on Corporate Governance for the year ended March 31, 2024)

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 2023-24 is presented below:

1. BANK'S PHILOSOPHY ON CODE OF GOVERNANCE¹

At YES BANK, we are driven by a deep purpose and relentless commitment to our path to Corporate Governance. Our differentiated approach to governance is built on sound governance practices based on conscience, openness, fairness, professionalism, and accountability. This approach helps in building confidence of its various stakeholders and thereby paving the way for its long-term success. The Bank believes in sustainable corporate growth that emanates from the top leadership down through the organisation to the various stakeholders which is reflected in its sound financial system, enhanced market reputation and improved efficiency.

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".

The Bank regularly upgrades its systems, policies, and processes to meet the demands of a dynamic and challenging business environment, providing reasonable assurance regarding the maintenance of proper internal controls and the monitoring of operations, thereby enhancing transparency and accountability. YES BANK 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 continuous improvements in 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, material events as well as the leadership and governance of the Bank.

During the recent 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 a Board level CSR and ESG Committee to oversee the Bank's ESG agenda, and an Executive level Sustainability Council chaired by the Managing Director & CEO which oversees the implementation of the Bank's sustainability strategy and performance. The Bank further strengthened its ESG governance by including ESG in its a Board level Committee and renaming the same as CSR & ESG

¹GRI 2-9



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 the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The Bank has consequently earned a leadership position in prestigious global ESG ratings.

- In FY 2023-24, for the second year in a row, YES BANK achieved the highest S&P Global ESG score amongst Indian banks based on the S&P Global Corporate Sustainability Assessment (CSA) 2023. The Bank's S&P Global ESG score stood at 74 (out of 100) as of February 16, 2024. The Bank's S&P Global CSA Score stood at 73 (out of 100) as of December 1, 2023, reflecting a marked improvement of 5 points over its score of 68 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.
- For the second year in a row, YES BANK was rated 'A-' Leadership Band by CDP for its 2023 Climate Change disclosures, retaining its position as the highest rated Indian Bank for climate disclosures. CDP annually rates global organisations across sectors, based on their climate-related performance. YES BANK earned the 'Leadership Band' (A/ A-) in 9 out of 12 climate-related disclosure categories, including, areas such as climate governance, emissions reporting (scope 1, 2, and 3), emission reduction initiatives, and effective risk management processes. The ratings are reported to be accessed by more than 18,700 companies and 740+ institutions with assets worth USD 130+ trillion.
- YES BANK continues to be an index constituent in the FTSE4Good Index Series (since June 2023) and features in the MSCI ACWI's ESG Universal Index, MSCI ACWI Low Carbon Leaders Index, ACWI Climate Change Index, among others (as on April 2024).

Governance Structure¹

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 Directors¹:

As on March 31, 2024, and as on date of this report, the Board of the Bank comprises of Thirteen (13) Directors including One (1) Non-Executive (Part-time) Chairman (Independent Director), One (1) Managing Director & Chief Executive Officer, One (1) Executive Director, Six (6) other Independent Directors, Two (2) Non-Executive Nominee Director of State Bank of India, One (1) Non-Executive Nominee Directors, Nominee of CA Basque Investments and One (1) Non-Executive Director, Nominee of Verventa Holdings Limited.

The Bank has optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. The Board is chaired by Non-Executive, Part-time Chairman, Independent Director and also has Three (3) Women Directors, Two (2) of them are Independent Directors and One (1) is Non-Executive Director, Nominee of Verventa Holdings Limited. Accordingly, the composition of the Board is in conformity with the Articles of Association of the Bank, the applicable provisions of the Companies Act, 2013, ("the Act") 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 and oversight of overall strategy for the Bank, taking new initiatives, formulating policies, performance review, monitoring of plans, review of policies and procedures.

¹GRI 2-9

The details of the Board of Directors, their category till date of the Report are as follows¹:

Sr. No.	Name & DIN of the Director	Category
1.	Mr. Prashant Kumar (DIN: 07562475)	Managing Director & Chief Executive Officer
2.	Mr. Rajan Pental (DIN: 08432870)	Executive Director
3.	Mr. Rama Subramaniam Gandhi (DIN: 03341633)	Non-Executive Part-time Chairman, Independent Director
4.	Mr. Atul Malik (DIN: 07872539)	Independent Director
5.	Ms. Rekha Murthy (DIN: 07825183)	Independent Director
6.	Mr. Sharad Sharma (DIN: 05160057)	Independent Director
7.	Mr. Sandeep Tewari* (DIN: 09623300)	Non-Executive - Nominee Director of State Bank of India
8.	Mr. Thekepat Keshav Kumar* (DIN: 09623382)	Non-Executive - Nominee Director of State Bank of India
9.	Mr. Sadashiv Srinivas Rao (DIN: 01245772)	Independent Director
10.	Ms. Nandita Gurjar (DIN: 01318683)	Independent Director
11.	Mr. Sanjay Kumar Khemani (DIN: 00072812)	Independent Director
12.	Mr. Sunil Kaul**^ (DIN: 05102910)	Non-Executive - Non Independent Director; Nominee of CA Basque Investments
13.	Ms. Shweta Jalan** (DIN: 00291675)	Non-Executive - Non Independent Director; Nominee of Verventa Holdings Limited

*Period of office made as not liable to retire by rotation by the Board of Directors in its meeting held on June 23, 2023

** Period of office made as liable to retire by rotation by the Board of Directors in its meeting held on June 23, 2023

^Retired and reappointed at the 19th Annual General Meeting of the Bank held on August 18, 2023

Note: As per the clarification received from Reserve Bank of India, the Bank is still under YES BANK Limited Reconstruction Scheme 2020 ("Scheme") till confirmation is received from Reserve Bank of India that the Bank is out of Scheme. However, the Bank has been ensuring compliance with 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 & Environmental Social and Governance Committee etc.

Profile of Board of Directors:

Mr. Prashant Kumar

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 SBI, 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 SBI's Apex Training Institute - State Bank Academy, Gurugram.

He holds degree in science and a law from Delhi University.

¹GRI 2-9, GRI 2-10, GRI 2-11



Mr. Rajan Pental

Mr. Rajan Pental is an Executive Director at YES BANK and has joined the Bank in November, 2015. He carries a rich experience of 3 decades, in the financial services industry. His portfolio in YES BANK includes Branch Banking - Retail, Affluent Banking, NRI Banking, YES Private, Spectrum Banking, Retail Assets, SME Banking, Rural & Agriculture Banking, Retail Trade & Forex, Third Party Distribution, Marketing & Corporate Communication, Corporate Social Responsibility, Retail Collections, Retail Service Excellence & Customer Experience, Liabilities Product Management, Credit Cards, Merchant Acquisition, Banking Operations, Business & Technology Solutions.

Chief Operating Officer, Chief Information Officer, Chief Marketing Officer and Country Heads of Retail Banking suite report to him. He is also designated as Non-Executive Director of YES Securities.

Mr. Rajan is skilled at developing strategies to increase organisational effectiveness and efficiency, implementing innovative solutions to streamline processes, and driving continuous improvement initiatives. He has been a pioneer in Mobility services with technology to create differentiating product and services and has been recognised for these initiatives. He has a proven track record of successfully leading teams to achieve organisational objectives, increasing profitability and maintaining positive relationships with stakeholders. As a Co-Chair for Assocham and part of initiatives led by FICCI, he is passionate about engaging with communities and advancing several industry initiatives.

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 at HDFC Bank he was designated as Business Head - Secured Loans & Rural Sales (Vehicle Loans - Retail & Wholesale). Mr. Rajan was instrumental in initiating, setting up and institutionalizing 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.

Mr. Rama Subramaniam Gandhi

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, 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 IDBRT, 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

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. 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

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

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 role as CGM, SBI, Chennai & MD, State Bank of Mysore, made a substantial portion of their CSR investments in the ESG sector, through NGOs and SHGs.

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 that 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 programmes at IIMs (Ahmedabad & Lucknow), Duke University and Booth School, University of Chicago.

Mr. Sadashiv Srinivas Rao

Mr. Sadashiv S. Rao was the CEO of NIIF Infrastructure Finance Limited (NIIF IFL) - an NBFC lending to operating infrastructure projects till 30th 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

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, Programme 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

Mr. Sanjay Kumar Khemani is Practicing Chartered Accountant and Senior Partner of M M Nissim & Co LLP and possesses more than 33 years of post-qualification experience in rendering professional services to Banking, Insurance 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 Stockbrokers. 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. He is / has been associated with various NGOs for Social Service and is a member of Institute of Social Auditors and Institute of Company Secretaries of India.

Mr. Sandeep Tewari

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 entire business structure for 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.

Empanelled as Assessor for interviewing candidates for Banking Board's Bureau for CMD, MD&ED level positions in the SBI.

Mr. Thekepat Keshav Kumar

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

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

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 23 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 YES Bank Limited, 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, Shweta has led many investments

at Advent including Suven Pharmaceuticals, Cohance Lifesciences, Encora Digital, Eureka Forbes, Tredence Analytics, Bharat Serums and Vaccines, Crompton Greaves Consumer Electricals, Quest Technologies, Manjushree Packaging, DFM Foods, Modenik Lifestyle, amongst others. 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.

(b) Board Meetings, Attendance & Committee Membership¹:

During the FY 2023-24, Eight (8) meetings of the Board were held on April 22, 2023, May 12, 2023, June 23, 2023, July 22, 2023, October 21, 2023, November 08, 2023, January 27, 2024 and March 22, 2024. The maximum gap between any two Board meetings was less than one hundred and twenty (120) days.

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 on March 31, 2024 are as under:

Name	No. of Board meetings attended/ held during their tenure	Attendance at AGM held on August 18, 2023	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. Prashant Kumar	8/8	Present	1	0	0	0
Mr. Rajan Pental	7/8	Present	1	0	0	0
Mr. Rama Subramaniam Gandhi	8/8	Present	4	2	3(0)	0
Mr. Atul Malik	8/8	Present	0	0	0	0
Ms. Rekha Murthy	8/8	Present	0	0	0	0
Mr. Sharad Sharma	8/8	Present	1	1	1(0)	0
Mr. Sandeep Tewari	8/8	Present	0	0	0	0
Mr. Thekepat Keshav Kumar	8/8	Present	0	0	0	0
Mr. Sadashiv Srinivas Rao	8/8	Present	0	2	0	0
Ms. Nandita Gurjar	8/8	Present	0	0	0	Galaxy Surfactants Limited - Independent Director
Mr. Sanjay Kumar Khemani	8/8	Present	0	1	0	LIC Housing Finance Limited - Independent Director
Mr. Sunil Kaul	8/8	Present	0	3	1(0)	PNB Housing Finance Limited - Non-Executive Nominee Director
Ms. Shweta Jalan	5/8	Present	3	3	0	Suven Pharmaceuticals Limited - Non-Executive-Non Independent Director

[#]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. 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.
2. 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.
3. During the FY 2023-24, due to business exigencies, thirteen (13) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Board meetings.
4. 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 on March 31, 2024 is as under:

Sr. No.	Name of the Director	No. of Shares
1.	Mr. Rama Subramaniam Gandhi	1,50,000
2.	Mr. Atul Malik	0
3.	Ms. Rekha Murthy	0
4.	Mr. Sharad Sharma	0
5.	Mr. Sandeep Tewari	0
6.	Mr. Thekepat Keshav Kumar	0
7.	Mr. Sadashiv Srinivas Rao	1,000
8.	Ms. Nandita Gurjar	52,500
9.	Mr. Sanjay Kumar Khemani	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 on March 31, 2024.

(e) Familiarisation Programme for Independent Director:

In compliance with the requirement of the SEBI LODR, the Bank conducts 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, 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.

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 Directors¹:

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.

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 as 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
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

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Name of the Director	Specialised Knowledge / Practical Experience / Skills / Expertise / Competencies
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) and 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 duly assessed 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 Bank.

(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

(i) Policy on Appointment of Directors¹:

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's composition, succession planning and the detailed process for appointment of Directors including the required skill sets, experience, qualification, etc. as required under the Act, 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 Act and SEBI LODR.

(k) Meeting of the Independent Directors:

In terms of provisions of Schedule IV of the Act and SEBI LODR, the Meeting of the Independent Directors was held on April 22, 2023. The performance of Non-Independent Directors including Managing Director and Executive Director, the Board as a whole and the Chairman of the Bank for FY 2023-24 was discussed by the Independent Directors in their separate meeting held on May 17, 2024. 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 Act. At the said Meeting, the Independent Directors completed the performance evaluation of Non-Independent Directors including Managing Director and Executive Director, the Board as a whole and the Chairman of the Bank. The Meetings of the Independent Directors were held without the presence of Non-Independent Directors and members of Management.

(l) 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

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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 meetings 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, transfer of business from subsidiary, 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 Act, 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 circulation.

(m) 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 Point Tracker System to track actionable emanating from Board/Board Level Committee meetings. Action Taken Report on the decisions taken/directions in a meeting is placed at the succeeding meeting(s) of the Board/Board Level Committees.

(n) 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, behavioural 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.

(o) 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. COMMITTEES¹:

In order to focus on strategic and key financial issues, the Bank is required to have certain Board Level Committees. The Act, SEBI LODR and Banking Regulation Act, 1949 mandates for constitution of certain Board Level Committees. The Bank, post reconstruction scheme has ten (10) 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.

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 (10) Board Level Committees are briefly described below:

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a) Audit Committee:

3.a.1 Composition, meetings and attendance during the FY 2023-24

The Audit Committee of the Bank presently comprises of five (5) members, viz., Mr. Sanjay Kumar Khemani (Chairperson), Mr. Atul Malik, Ms. Rekha Murthy, Mr. Sharad Sharma and Mr. Sandeep Tewari.

During the FY 2023-24, Fourteen (14) Meetings of Audit Committee were held on April 03, 2023, April 21, 2023, May 03, 2023, May 17, 2023, May 25, 2023, July 18, 2023, July 21, 2023, August 14, 2023, October 16, 2023, October 20, 2023, November 28, 2023, January 24, 2024, January 25, 2024 and February 20, 2024 with an interval of less than one hundred and twenty (120) 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	Meetings Attended/ Eligible to attend
Mr. Sanjay Kumar Khemani	Chairperson	Independent Director	July 15, 2022	14/14
Mr. Atul Malik	Member	Independent Director	July 15, 2022	14/14
Ms. Rekha Murthy	Member	Independent Director	July 15, 2022	14/14
Mr. Sharad Sharma	Member	Independent Director	July 15, 2022	14/14
Mr. Sandeep Tewari	Member	Non-Executive - Nominee Director of State Bank of India	July 29, 2022	14/14

Notes:

- There was no change in the composition of Audit Committee during the FY 2023-24.
- 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, Chairman 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 and the Chief Compliance Officer are the invitees for all meetings of the Audit Committee.
- Mr. Shivanand R. Shettigar, Company Secretary acts as Secretary to the Audit Committee.
- 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.
- 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.
- During the FY 2023-24, the representatives of the Statutory Auditors have attended all the Audit Committee meetings, where Financial Results were approved.
- At the last AGM, Mr. Sanjay Kumar Khemani, the Chairperson of the Audit Committee, was present.
- The quorum was present at all the meetings of the Audit Committee held during the FY 2023-24.
- In order to get the inputs and opinions of the Statutory Auditors, the Committee also held four (4) one-to-one meetings on April 21, 2023, July 18, 2023, October 16, 2023 and January 24, 2024 with the Statutory Auditors without the presence of the management representatives.
- Pursuant to SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2019/21 dated November 4, 2019, during the year, the Committee had a meeting with the Credit Rating Agencies (CRAs).
- During the FY 2023-24, due to business exigencies, three (3) resolutions were passed through Circulation and the said resolutions were noted at the subsequent meetings of the Audit Committee.

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, which include the following:

- 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 Banks' 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;
- 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
- 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 the related party transactions pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including omnibus approval for related party transactions, material related party transactions and any subsequent material modification(s) thereto);
- 16) To review the financial statements, in particular, the investments made by the unlisted subsidiary;
- 17) 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;
- 18) To approve and recommend to the Board the appointment of Chief Financial Officer ("CFO") after assessing the qualifications, experience & background, etc. of the candidate;



- 19) To review the Whistle Blower policy and Vigil Mechanism for Directors and Employees and functioning of the Whistle Blower Mechanism;
- 20) To deal with Whistle Blower complaints in time bound manner;
- 21) To review and monitor Vigilance function, its policies and implementation of Vigilance Framework of the Bank;
- 22) To review and monitor compliance function, its policies and Implementation of Compliance Framework of the Bank;
- 23) Review of Banks' 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;
- 24) To review the implementation of RBI guidelines on KYC / AML and approve the changes in KYC Policy;
- 25) To review and approve the changes in Risk and Compliance Culture Policy and oversight on fostering the Compliance culture in the Bank;
- 26) To review Bank's Compliance to various Inspection Reports issued by various regulators (RBI, SEBI, NSDL, CDSL etc.);
- 27) 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;
- 28) Review of compliance on directives issued by ACB / Board / RBI;
- 29) 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;
- 30) Review report on compliance of regulatory requirement of Regulators in Host Countries in respect of overseas branches;
- 31) To institute special investigation teams with complete access to all records, information and personnel of the Bank, if necessary;
- 32) To review all cases of frauds and attempted frauds involving amounts of ₹ 1 crore and above;
- 33) To review the minutes of the quarterly, Apex Management Committee and Staff Accountability Committee meetings;
- 34) 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;
- 35) 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;
- 36) To review and monitor the auditors' independence and performance, effectiveness of audit process;
- 37) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 38) Valuation of undertakings or assets of the Bank, wherever necessary;
- 39) 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;
- 40) 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;
- 41) To review on quarterly basis reports provided by compliance officer on violations and remedial/ punitive action for the same;
- 42) 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;
- 43) Review of housekeeping - particularly balancing and reconciliation of long outstanding entries Suspense / Sundries / Drafts payable / paid / Funds in Transit / Clearing / SGL / CSDL accounts;

- 44) 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;
 - 45) 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;
 - 46) 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;
 - 47) Review of Internal Audit plan and status of achievement thereof;
 - 48) Review System Audit as per RBI Internal Control Guidelines;
 - 49) To approve the concurrent audit policy;
 - 50) KYC / AML Guidelines - Review of compliance of concurrent audit reports with respect to adherence to KYC / AML guidelines at branches;
 - 51) Review of exposure to sensitive sectors i.e. capital market & real estate;
 - 52) Review of information on violations by various functionaries in the exercise of discretionary powers;
 - 53) Review of information in respect of equity share holdings in borrower companies more than 30% of their paid up capital;
 - 54) 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;
 - 55) Review of the Bank's financial management policies;
 - 56) Review penalties imposed / penal action taken against Bank under various laws and statutes and action taken for corrective measures;
 - 57) Review the management discussion and analysis of financial condition and results of operations;
 - 58) Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - 59) Scrutiny of inter-corporate loans and investments;
 - 60) 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;
 - 61) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Bank and its shareholders;
 - 62) To discuss with internal auditors of any significant findings and follow up there on;
 - 63) To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
 - 64) To review update on Legal cases filed against the Bank;
 - 65) To review Comprehensive report on Credit Card Operations;
 - 66) To review the compliance of the conditions in RBI circular on lending by banks to InvITs;
 - 67) To review ageing analysis of entries pending reconciliation with outsourced vendors;
 - 68) 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 FY 2023-24:**
- The Nomination & Remuneration Committee of the Bank presently comprises of 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 the FY 2023-24, three (3) Meetings of Nomination & Remuneration Committee were held on May 10, 2023, November 07, 2023, and December 18, 2023.
- The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the FY 2023-24 is as under:



Name of Member	Position	Category	Date of Appointment to the Committee	Meetings Attended/ Eligible to attend
Ms. Nandita Gurjar	Chairperson	Independent Director	July 15, 2022	3/3
Ms. Rekha Murthy	Member	Independent Director	July 15, 2022	3/3
Mr. Atul Malik	Member	Independent Director	July 15, 2022	3/3
Mr. Sandeep Tewari	Member	Non-Executive - Nominee Director of State Bank of India	July 15, 2022	3/3
Mr. Rama Subramaniam Gandhi	Member	Independent Director	July 29, 2022	3/3
Ms. Shweta Jalan	Member	Non-Executive Non Independent Director	December 13, 2022	2/3

Notes:

1. There was no change in the composition of Nomination & Remuneration Committee during the FY 2023-24.
2. 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 (1) member of Risk Management Committee should be a member of Nomination & Remuneration Committee. Accordingly, two (2) members of Risk Management Committee of the Bank are members of the Nomination & Remuneration Committee.
3. Mr. Sunil Kaul, Non-Executive Non Independent Director, Nominee of CA Basque Investments is a permanent invitee to the meetings of Nomination & Remuneration Committee.
4. The Chairman of the Bank, Mr. Rama Subramaniam Gandhi is a member of Nomination & Remuneration Committee and does not hold Chairmanship of the Committee.
5. The Chairperson of the Nomination & Remuneration Committee, Ms. Nandita Gurjar was present at the last AGM held on August 18, 2023.
6. Mr. Shivanand R. Shettigar, Company Secretary acts as Secretary to the Committee.
7. The quorum was met in all meetings of the Nomination and Remuneration committee held during the FY 2023-24.
8. During the FY 2023-24, due to business exigencies, twenty (20) resolutions were passed through circulation and the said resolutions were noted at the subsequent meetings of the Nomination & Remuneration Committee.

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, which 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 Banks' 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 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, retiral, sitting fee, etc.;
 - 15) To review the Banks' overall compensation structure and related policies with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Banks and the industry in general;
 - 16) To ensure the following while formulating the policy on the 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; and
 - c. remuneration to Whole time directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
 - 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.

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 Policy¹:

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 Act, 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 <https://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.

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(b) Directors' Remuneration:

i) Chairman:

The details of the remuneration paid to the Chairman of the Bank during FY 2023-24 is given below:

(Amount in ₹)

Name of the Part-time Chairman	Salary	Perquisites	Others	Total
Mr. Rama Subramaniam Gandhi	30,00,000	-	-	--

ii) Executive Directors:

The details of the remuneration paid to the Executive Directors during FY 2023-24 is given below:

(Amount in ₹)

Name of the Director	Mr. Prashant Kumar Managing Director & Chief Executive Officer	Mr. Rajan Pental Executive Director
Salary - Fixed Pay		
(a) Basic salary and allowances	2,14,98,105	3,01,98,058
(b) Value of perquisites ¹	43,42,245	7,57,086
(c) Company contribution towards PF	7,53,761	13,73,400
Performance linked incentives:		
Performance Bonus for FY 23 ²	69,91,515	64,31,477
Performance Bonus for FY 22 ³	22,00,000	23,61,388
Performance Bonus for FY 21 ⁴	19,66,666	-
Total	3,77,52,292	4,11,21,409
Stock Options ⁵	48,16,490	32,64,709

Notes:

For Mr. Prashant Kumar, Managing Director & CEO

- 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's car, Club membership etc.
- Performance Bonus for FY 23 represents the 50% of bonus (cash based) paid out from the approved bonus of ₹ 1.39 crore for the performance period FY 23. Remaining payout will be deferred in three equal annual tranches.
- Performance Bonus for FY 22 represents deferral tranche number 1 of 3 of approved performance bonus (cash based) of ₹ 1.32 crore. 50% of the approved bonus was paid out and the remainder was deferred in three equal annual tranches.
- Performance Bonus for FY 21 represents deferral tranche number 2 of 3 of approved performance bonus (cash based) of ₹ 1.18 crore. 50% of the approved bonus was paid out and the remainder was deferred in three equal annual tranches.
- Stock options represent the number of options granted for FY 23. The options were allocated considering the SLI value at ₹ 1.90 crore and the Black Scholes Price of ₹ 3.94 as on October 31, 2023.

For Mr. Rajan Pental, Executive Director

- Perquisites are evaluated as per the Income Tax Act, 1961 wherever applicable, or otherwise at actual cost to the Bank. This includes Bank's car, Club membership etc.
- Performance Bonus for FY 23 represents the 50% of bonus (cash based) paid out from the approved bonus of ₹ 1.29 crore for the performance period FY 23. Remaining payout will be deferred in three equal annual tranches.
- Performance Bonus for FY 22 represents deferral tranche number 1 of 3 of approved performance bonus (cash based) of ₹ 1.42 crore. 50% of the approved bonus was paid out and the remainder was deferred in three equal annual tranches.
- Mr. Rajan Pental was appointed as Executive Director w.e.f. February 02, 2023, hence mention of Performance Bonus for FY 21 not applicable for him.
- Stock options represent the number of options granted for FY 23. The options were allocated considering the SLI value at ₹ 1.29 crore and the Black Scholes Price of ₹ 3.94 as on October 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, MD & CEO and Mr. Rajan Pental, ED 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 Banks' cars with Driver for official purposes & private purposes, Club Memberships, 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 policies 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/202-22/24 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 18th AGM held on July 15, 2022.

The details of the remuneration paid to the Non-Executive Directors during FY 2023-24 are given below: -

(Amount in ₹)

Name of the Director	Fixed Remuneration	Sitting Fees	Total
Mr. Atul Malik	20,00,000	45,25,000	65,25,000
Ms. Rekha Murthy	20,00,000	24,25,000	44,25,000
Mr. Sharad Sharma	20,00,000	24,25,000	44,25,000
Ms. Nandita Gurjar [§]	14,24,657	14,00,000	28,24,657
Mr. Sanjay Kumar Khemani [§]	14,24,657	21,75,000	35,99,657
Mr. Sandeep Tewari [§]	14,24,657	21,75,000	35,99,657
Mr. Thekepat Keshav Kumar [§]	14,24,657	35,00,000	49,24,657
Mr. Sadashiv Srinivas Rao [§]	14,24,657	36,00,000	50,24,657
Mr. Rama Subramaniam Gandhi*	9,31,506	17,00,000	26,31,506
Mr. Sunil Kaul ^{§§}	0	0	0
Ms. Shweta Jalan ^{§§}	0	0	0

[§]The Fixed Remuneration for the FY 2022-23 was paid to the Directors during FY 2023-24, on proportionate basis from the date of their appointment.

^{§§}Opted not to receive any sitting fees or the remuneration from the Bank.



*During the FY 2022-23, Mr. Rama Subramaniam Gandhi was the Additional Director appointed by RBI up to July 20, 2022 and was appointed as Independent Director on the Board w.e.f. July 23, 2022. He was further appointed as the Part-time Chairman of the Bank w.e.f. September 20, 2022. Accordingly, the amount mentioned as fixed remuneration is for his tenure on the Board before his appointment as Part-time Chairman.

The remuneration paid to him as Part-time Chairman of the Bank is given at Page No. 292.

Details of remuneration paid to erstwhile Non- Executive Directors during FY 2023-24 are given below:

(Amount in ₹)

Name of the Director	Fixed Remuneration [§]	Sitting Fees	Total
Mr. Mahesh Krishnamurti (April 01, 2022 to July 15, 2022)	5,80,822	--	5,80,822
Mr. Atul Bheda (April 01, 2022 to July 15, 2022)	5,80,822	--	5,80,822
Mr. Vadalur Subramanian Radhakrishnan (April 01, 2022 to July 15, 2022)	5,80,822	--	5,80,822
Mr. Ravindra Pandey (April 01, 2022 to June 30, 2022)	4,98,630	--	4,98,630

[§] The Fixed Remuneration for the FY 2022-23 was paid to the Directors during FY 2023-24, on proportionate basis for their tenure as Director on the Board.

iv) Other Directors (Additional Directors appointed by RBI):

The details of the remuneration paid to the Additional Director appointed by RBI during FY 2023-24 are given below:

(Amount in ₹)

Name of the Director	Fixed Remuneration [§]	Sitting Fees	Total
Mr. Ananth Narayan Gopalakrishnan (From April 1, 2022 to July 20, 2022)	6,08,219	--	6,08,219

[§] The Fixed Remuneration for the FY 2022-23 was paid to the Director during FY 2023-24, on proportionate basis for his tenure as Director on the Board.

Notes:

- 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. Further, pursuant to the approval of the Board of Directors at its meeting held on May 12, 2023, the sitting fees were revised to ₹ 75,000/- for attending Risk Management Committee, Board Credit Committee, Audit Committee and Nomination & Remuneration Committee with effect from May 12, 2023.
- 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.
- 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 Chairman.
- The Bank does not grant any Stock Options to any Non-Executive Directors and Independent Directors of the Bank.
- The remuneration of the Chairman, MD & CEO and ED of the Bank has been approved by the Reserve Bank of India.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Bank during FY 2023-24 (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 FY 2023-24

The Stakeholders Relationship Committee of the Bank presently comprises of five (5) members, viz., Mr. Sadashiv Srinivas Rao (Chairperson), Mr. Thekepat Keshav Kumar, Ms. Nandita Gurjar, Mr. Sunil Kaul and Mr. Rajan Pental.

During the FY 2023-24, two (2) meetings of Stakeholders Relationship Committee were held on May 11, 2023 and December 14, 2023.

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the FY 2023-24 is as under:

Name of Member	Position	Category	Date of Appointment to the Committee	Meetings Attended/ Eligible to attend
Mr. Sadashiv Srinivas Rao	Chairperson	Independent Director	July 29, 2022	2/2
Mr. Thekepat Keshav Kumar	Member	Non-Executive Nominee Director of State Bank of India	July 29, 2022	2/2
Ms. Nandita Gurjar	Member	Independent Director	July 29, 2022	2/2
Mr. Sunil Kaul	Member	Non-Executive Non Independent Director	December 13, 2022	2/2
Mr. Rajan Pental	Member	Executive Director	February 15, 2023	2/2

Notes:

1. There was no change in the composition of Stakeholders Relationship Committee during FY 2023-24.
2. The Chairperson of the Stakeholders Relationship Committee, Mr. Sadashiv Srinivas Rao is a Non - Executive Director and attended the last AGM of the Bank.
3. Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
4. The quorum was met in all the Meetings of Stakeholders Relationship Committee held during the FY 2023-24.
5. During the FY 2023-24, due to business exigencies, one (1) resolution was passed through Circulation and the said resolution was noted at the subsequent Committee meeting.

3.c.2 Terms of Reference:

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 process any requests of duplicate share certificates in lieu of those share certificates which are reported as lost/misplaced/destroyed/torn/mutilated;
- 3) To issue the "Letter of Confirmation" to the shareholders against the service requests received from them in terms of SEBI circular.
- 4) 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;
- 5) To oversee and review all matters connected with transfer, transmission, name deletion, transposition, dematerialization, rematerialization, splitting/subdivision, consolidation of securities issued by the Bank and transfer of unclaimed dividend/shares to Investor Education and Protection Fund (IEPF);
- 6) To review the movements in shareholding and ownership structure of the Bank;
- 7) 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;
- 8) To review the key highlights/developments pertaining to various Stakeholders including equity shareholders, debenture holders, multilateral lenders, rating agencies etc.;
- 9) 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;
- 10) To review the measures taken for effective exercise of voting rights by shareholders;
- 11) 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.

- 12) 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.
- 13) To review the Communication Policy of the Bank annually or as and when required.

3.c.3 Status of Shareholder's Complaints/ Requests:

Shareholders' Complaints during FY 2023-24¹ :

Particulars	No. of Complaints
Shareholders complaints pending as at April 01, 2023	0
Shareholders complaints received during the year ended on March 31, 2024	29
Shareholders complaints resolved during the year ended March 31, 2024	29
Shareholders complaints pending as at March 31, 2024	0

The Bank has designated Email ID namely shareholders@yesbank.in for equity investors and bondholders@yesbank.in for bond holders for reporting complaints/grievances. The said Email IDs are also displayed on the website of the Bank.

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 of five members, viz., Ms. Nandita Gurjar (Chairperson), Mr. Sharad Sharma, Mr. Thekepat Keshav Kumar, Mr. Sunil Kaul and Mr. Rajan Pental.

During the FY 2023-24, Two (2) meetings of Customer Service Committee were held on June 07, 2023 and December 14, 2023.

Shareholders' Requests during FY 2023-24 :

Particulars	No. of Requests
Shareholders requests pending as at April 01, 2023	8
Shareholders requests received during the year ended on March 31, 2024	2438
Shareholders requests resolved during the year ended March 31, 2024	2433
Shareholders requests pending as at March 31, 2024	13*

**Shareholders requests pending as at March 31, 2024 were closed by April 6, 2024.*

The Bank receives investor complaints through various sources and informs the Stakeholders Relationship Committee of the Bank 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 & 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, 2024.

¹GRI 2-16

The composition of the Committee along with the participation of the Members at the meetings of the Committee held during the FY 2023-24:

Name of Member	Position	Category	Date of Appointment to the Committee	Meetings Attended/ Eligible to attend
Ms. Nandita Gurjar	Chairperson	Independent Director	July 29, 2022	2/2
Mr. Sharad Sharma	Member	Independent Director	July 29, 2022	2/2
Mr. Thekepat Keshav Kumar	Member	Non-Executive Nominee Director of State Bank of India	July 29, 2022	2/2
Mr. Sunil Kaul	Member	Non-Executive Non Independent Director	December 13, 2022	2/2
Mr. Rajan Pental	Member	Executive Director	February 15, 2023	2/2

Notes:

1. There was no change in the composition of Customer Service Committee during the financial year under review.
2. Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
3. The quorum was met in all the Meetings of Customer Service Committee held during the FY 2023-24.
4. During the FY 2023-24, due to business exigencies, three (3) resolutions were passed through Circulation and the said resolutions were noted at the subsequent Committee Meeting.

3.d.2 Terms of Reference:

The terms of reference of the 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 (excluding MD & CEO and Executive Director);
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 of 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 the FY 2023-24, Five (5) meetings of Risk Management Committee were held on April 21, 2023, June 23, 2023, July 21, 2023, October 20, 2023 and January 25, 2024.

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	Meetings Attended/ Eligible to attend
Mr. Sharad Sharma	Chairperson	Independent Director	July 29, 2022	5/5
Mr. Atul Malik	Member	Independent Director	July 29, 2022	5/5
Mr. Sadashiv Srinivas Rao	Member	Independent Director	July 15, 2022	5/5
Mr. Thekepat Keshav Kumar	Member	Non-Executive Nominee Director of State Bank of India	July 15, 2022	5/5
Mr. Rama Subramaniam Gandhi	Member	Independent Director	July 29, 2022	5/5
Mr. Sunil Kaul	Member	Non-Executive Non Independent Director	December 13, 2022	5/5

Notes:

- There was no change in the composition of Risk Management Committee during the financial year under review.
- 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 2023-24.
- 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 21, 2023, July 21, 2023, October 20, 2023 and January 25, 2024.
- 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 2023-24, 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:

The terms of reference of the Risk Management Committee includes the following:

- Oversee the Bank's Enterprise Risk Management framework, covering risk identification, measurement, monitoring and mitigation;
- 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;
- 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;
- 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;
- Review, assess and approve setting up of stress testing scenarios as well as review breaches therein; suggest remedial actions if any;
- Integrate risk management into the Bank's goals and compensation structure;

- 7) Review and approve the changes in Risk and Compliance Culture Policy and oversight on fostering the Risk culture in the Bank.
 - 8) 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;
 - 9) Monitoring compliance as well as critically analyzing 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 Management Committee (ERMC) and Model Assessment Committee (MAC) and any other risk related committees 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 of five members, viz., Ms. Rekha Murthy (Chairperson), Mr. Sadashiv Srinivas Rao, Ms. Nandita Gurjar, Ms. Shweta Jalan and Mr. Rajan Pental.
- During the FY 2023-24, Three (3) meetings of the Corporate Social Responsibility & Environmental Social and Governance Committee were held on May 11, 2023, July 14, 2023 and February 09, 2024.
- 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 to the Committee	Meetings Attended/ Eligible to attend
Ms. Rekha Murthy	Chairperson	Independent Director	July 29, 2022	3/3
Mr. Sadashiv Srinivas Rao	Member	Independent Director	July 29, 2022	3/3
Ms. Nandita Gurjar	Member	Independent Director	July 29, 2022	3/3
Ms. Shweta Jalan	Member	Non-Executive Non Independent Director	December 13, 2022	2/3
Mr. Rajan Pental	Member	Executive Director	February 15, 2023	3/3



Notes:

1. *There was no change in the composition of Corporate Social Responsibility & Environmental Social and Governance Committee during the financial year under review.*
2. *The Chairperson of the Corporate Social Responsibility & Environmental Social and Governance Committee, Ms. Rekha Murthy is a Non-Executive Director.*
3. *Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.*
4. *The quorum was met at all the meetings of Corporate Social Responsibility & Environmental Social and Governance Committee held during the FY 2023-24.*
5. *During the FY 2023-24, no resolution was passed through circulation.*

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 of four members, viz., Mr. Atul Malik (Chairperson), Mr. Thekepat Keshav Kumar, Mr. Sadashiv Srinivas Rao and Mr. Prashant Kumar.

During the FY 2023-24, Twenty Eight (28) meetings of Board Credit Committee were held on April 06, 2023, May 05, 2023, May 18, 2023, June 01, 2023, June 15, 2023, June 28, 2023, July 06, 2023, July 19, 2023, August 2, 2023, August 17, 2023, August 31, 2023, September 11, 2023, September 28, 2023, October 05, 2023, October 18, 2023, November 03, 2023, November 16, 2023, November 30, 2023, December 07, 2023, December 18, 2023, December 29, 2023, January 17, 2024 (includes adjourned meeting held on January 18, 2024), January 31, 2024, February 15, 2024, March 01, 2024, March 12, 2024, March 21, 2024 and March 28, 2024.

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	Meetings Attended/ Eligible to attend
Mr. Atul Malik	Chairperson	Independent Director	July 29, 2022	28/28
Mr. Prashant Kumar	Member	Managing Director & Chief Executive Officer	July 29, 2022	25/28
Mr. Thekepat Keshav Kumar	Member	Non-Executive - Nominee Director of State Bank of India	July 29, 2022	28/28
Mr. Sadashiv Srinivas Rao	Member	Independent Director	July 29, 2022	28/28

Notes:

1. There was no change in the composition of Board Credit Committee during the financial year under review.
2. Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
3. The quorum was met in all the Meetings of Board Credit Committee held during the FY 2023-24.
4. During the FY 2023-24, due to business exigencies, nine (9) 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 to "Directors of other Banks / any firm or company in which such Directors are interested as a partner, director or guarantor or hold substantial interest/ 'relatives' of the Bank's Chairman/ Managing Director or of Directors of other banks / any firm or company in which any of such 'relatives' is interested as a partner, director or guarantor or hold substantial interest", above the thresholds (i.e. ₹ 5 crore and ₹ 0.25 crore) as defined under RBI guidelines. 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
 - 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 ₹ 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;
- 10) To approve Terms of reference of Stressed Asset Management Committee (SAMC), Management Credit Committee (MCC) and Executive Credit Committee (ECC)
- 11) To review the compromise settlements and technical write-offs of loan accounts that are approved by SAMC as outlined in the Credit Policy and are reported to BCC
- 12) To approve the compromise settlements and technical write-offs of loan accounts that are within the approval authority of BCC as outlined in the Credit Policy and report such settlements and write-offs to Board.
- 13) To review accounts which are identified for exit by SAMC and are reported to Board Credit Committee (BCC) on quarterly basis as outlined in the Credit Policy; and

- 14) 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 of five members, viz., Ms. Rekha Murthy (Chairperson), Mr. Rama Subramaniam Gandhi, Mr. Sanjay Kumar Khemani, Mr. Prashant Kumar and Mr. Rajan Pental.

During the FY 2023-24, Five (5) meetings of IT Strategy Committee were held on April 17, 2023, May 11, 2023, September 06, 2023, November 06, 2023 and February 08, 2024.

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	Meetings Attended/ Eligible to attend
Ms. Rekha Murthy	Chairperson	Independent Director	July 29, 2022	5/5
Mr. Prashant Kumar	Member	Managing Director & Chief Executive Officer	July 29, 2022	5/5
Mr. Rama Subramaniam Gandhi	Member	Independent Director	July 29, 2022	5/5
Mr. Sanjay Kumar Khemani	Member	Independent Director	July 29, 2022	4/5
Mr. Rajan Pental	Member	Executive Director	February 15, 2023	5/5

Notes:

1. There was no change in the composition of IT Strategy Committee during the financial year under review.
2. Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
3. The quorum was met in all meetings of IT Strategy Committee held during the FY 2023-24.
4. During the FY 2023-24, no resolution was passed through circulation.

3.h.2 Terms of Reference:

The terms of reference of the IT Strategy Committee includes the following:

- 1) To perform oversight functions over the IT Steering Committee and Information Security Steering Committee (ISSC) (at a senior management level);
- 2) To review activities within this scope;
- 3) To seek information from any employee;
- 4) 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) Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;



- 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) Ensure that the Bank has put in place processes for assessing and managing IT and cybersecurity 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, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Bank;
 - 29) To review Central Data and analytics advisory/ updates by CDAG team;
 - 30) To approve constitution of the Information Security Committee ("ISC") in line with the regulatory requirement;
 - 31) To have oversight over the ISC;
 - 32) To review assessment of IT capacity requirements and measures taken to address the issues;
 - 33) To annually review the risk management policy in respect of IT related risks, including the Cyber Security related risks in consultation with Risk Management Committee.
- 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 of five members, viz., Mr. Prashant Kumar (Chairperson), Mr. Sharad Sharma, Mr. Sandeep Tewari, Mr. Sanjay Kumar Khemani and Ms. Shweta Jalan.
- During the FY 2023-24, Three (3) meetings of Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee were held on April 26, 2023, October 13, 2023 and January 18, 2024.

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	Meetings Attended/ Eligible to attend
Mr. Prashant Kumar	Chairperson	Managing Director & Chief Executive Officer	July 29, 2022	3/3
Mr. Sharad Sharma	Member	Independent Director	July 29, 2022	3/3
Mr. Sandeep Tewari	Member	Non-Executive-Nominee Director of State Bank of India	July 29, 2022	3/3
Mr. Sanjay Kumar Khemani	Member	Independent Director	July 29, 2022	2/3
Ms. Shweta Jalan	Member	Non-Executive Non Independent Director	December 13, 2022	3/3

Notes:

1. There was no change in the composition of Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee during the financial year under review.
2. Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
3. The quorum was met in all the Meetings of Fraud, Willful Defaulters and Non-Cooperative Borrowers Monitoring Committee held during the FY 2023-24.
4. During the FY 2023-24, due to business exigencies, two (2) resolutions were passed through Circulation and the said resolution 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 can 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 the top management of the Bank and the Reserve Bank of India and other Law Enforcement Agencies;
 - c. Monitor progress of the investigations conducted by the Police/Central Bureau of Investigation/ Economic Offences Wing or any other similar Law Enforcement Agencies 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 "Willful Defaulter";
- 5) To review the status of "Non-Cooperative Borrowers" or "Willful Defaulters" at least on half yearly basis 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 "Willful 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 "Willful Defaulters".
- 8) To monitor any delays in closure of proceedings in relation to "Willful Defaulters" beyond 120 days;
- 9) 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



- 10) To perform any other act, duties as provided under the Companies Act, or stipulated by the Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges, and any other regulatory authority, as prescribed from time to time.
- 11) Noting of the minutes of Executive Committee for Classification of Willful Defaulter & Non-Cooperative Borrowers.
- 12) To approve ToR of Executive Committee for Classification of Willful Defaulters & 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 of 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 the FY 2023-24, one (1) meeting of Capital Raising Committee was held on May 9, 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	Meetings Attended/ Eligible to attend
Mr. Rama Subramaniam Gandhi	Chairperson	Independent Director	July 29, 2022	1/1
Mr. Prashant Kumar	Member	Managing Director & Chief Executive Officer	July 29, 2022	1/1
Mr. Sandeep Tewari	Member	Non-Executive-Nominee Director of State Bank of India	July 29, 2022	1/1
Mr. Sanjay Kumar Khemani	Member	Independent Director	July 29, 2022	1/1
Mr. Sunil Kaul	Member	Non-Executive Non Independent Director	December 13, 2022	1/1
Ms. Shweta Jalan	Member	Non-Executive Non Independent Director	December 13, 2022	1/1

Notes:

1. There was no change in the composition of Capital Raising Committee during the financial year under review.
2. Mr. Shivanand R. Shettigar, Company Secretary acts as a Secretary to the Committee.
3. The quorum was met in all the Meetings of Capital Raising Committee held during the FY 2023-24.
4. During the FY 2023-24, due to business exigencies, one (1) resolution was passed through Circulation and the said resolution was noted at the subsequent Committee meeting.

3.j.2 Terms of Reference:

The broad terms of reference of the Capital Raising Committee includes the following:

- 1) 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.;
- 2) To consider any type of capital re-organisation like consolidation of stock, stock split etc. and recommend to the Board of Directors thereof;
- 3) 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.
- 11) Any other critical matters pertaining to share capital / shareholding of the Bank.

4. Details of Senior management:

Particulars of senior management personnel ("SMP") and changes since the close of the previous financial year:

Name of the SMP	Designation	Changes during the FY 2023-24 (Yes/No)	Nature of change and Effective date
Niranjan Banodkar	Chief Financial Officer	No	-
Shivanand R. Shettigar	Company Secretary	No	-
Ashish Chandak	Chief Compliance Officer	Yes	Ceased w.e.f. 30 th November, 2023 (Completed term as Chief Compliance Officer of the Bank and resumed new role, which is not classified as SMP of the Bank)
Rajat Chhalani	Chief Compliance Officer	Yes	Appointed as Chief Compliance Officer w.e.f. December 01, 2023
Sumit Gupta	Chief Risk Officer	Yes	Ceased as Chief Risk Officer w.e.f. November 30, 2023
Tushar Patankar	Chief Risk Officer	Yes	Appointed as SMP w.e.f. November 20, 2023 & as Chief Risk Officer w.e.f. December 01, 2023
Rakesh Arya	Chief Credit Risk Officer	No	-
Sachin Raut	Chief Operating Officer	Yes	Appointed w.e.f. February 06, 2023
Kapil Juneja	Chief Internal Auditor	No	-
Sandeep Mehra	Chief Vigilance Officer	No	-
Anurag Adlakha	Chief Human Resources Officer	Yes	Ceased w.e.f. May 31, 2023
Archana Shiroor	Chief Human Resources Officer	Yes	Appointed w.e.f. June 01, 2023
Ravi Thota	Country Head Large Corporates	Yes	Ceased w.e.f. September 26, 2023
Manish Jain	Country Head, Wholesale Banking	Yes	Appointed w.e.f. September 27, 2023
Amit Sureka	Country Head - Financial Markets	No	-
Pankaj Sharma	Chief Strategy and Transformation Officer	Yes	Appointed w.e.f. September 21, 2023
Dhavan Shah	Country Head - SME Banking	No	-
Akshay Sapru	Country Head - Affluent and Private Banking and Liabilities Products	No	-
Sanjiv Kumar Roy	Country Head - Fee Based Products & Service Experience	No	-
Mahesh Ramamoorthy	Chief Information Officer	No	-
Lavesh Sardana	Country Head Retail Assets and Debt Management	No	-
Dheeraj Sanghi	Country Head Branch and Affluent Banking	No	-
Nipun Kaushal	Chief Marketing Officer and Head CSR	No	-



Name of the SMP	Designation	Changes during the FY 2023-24 (Yes/No)	Nature of change and Effective date
Anil Kumar Singh	Country Head Credit Cards and Merchant Acquiring	No	-
Gaurav Goel	Country Head - Emerging Local Corporates	No	-
Ajay Rajan	Country Head Multinational and International Business Transaction Banking and Knowledge Units	No	-
Indranil Pan	Chief Economist	No	-
Harsh Gupta	Country Head Stressed Asset Management	Yes	Ceased w.e.f. September 29, 2023
Arun Agrawal	Country Head Institutional and Government Banking	Yes	Ceased w.e.f. January 29, 2024
Mr. Karthikeyan J	Chief Data and Analytics Officer	No	-

5. DISCLOSURES:

(a) Related Party Transactions:

During the year, the Bank has entered into transactions with the related parties in the ordinary course of business, except the following transactions with YES Securities India Limited (wholly-owned subsidiary), for which necessary approvals were taken from the Board of Directors:

- Transfer of Merchant Banking Business and Investment Banking Business from YES Securities (India) Limited to the Bank
- Capital Infusion by the Bank

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. The details of the transactions with related parties, were placed before the Audit Committee of the Board of the Bank from time to time. There were no material individual transactions required to be reported under Section 188(1) of the Act, in form AOC-2. Suitable disclosure as required by the Accounting Standards (AS-18) and the RBI Master Direction on Financial Statements-Presentation and Disclosure (last updated on April 1, 2024) have 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 requirements of Regulation 23(9) of SEBI LODR for the half year ended September 30, 2023 and March 31, 2024 respectively.

The Board of Directors have formulated a Policy 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.

(b) Strictures and Penalties by statutory authority for last three financial years FY 2021-22, 2022-23 and 2023-24¹:

(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 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 August 05, 2024 for hearing.

¹GRI 417-2

(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. However, the Hon'ble SAT vide its order dated December 15, 2023, dismissed the appeal filed by the Bank and upheld the NCL order. Aggrieved by the same, the Bank has preferred an appeal before the Hon'ble Supreme Court of India.

In the interim, the Bank vide its letter dated December 28, 2023, had given an undertaking to NCL that it shall not utilize the collateral/margin money aggregating to ₹ 7 crore till the matter is finally adjudicated by the Hon'ble Supreme Court of India. The appeal filed by the Bank before the Hon'ble Supreme Court of India was listed on February 26, 2024, wherein the Hon'ble Supreme Court has tagged the matter along with the appeal filed by Edelweiss Custodial Services Limited, which is yet to be listed.

(iii) Nil Divergences

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.

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 notices/officials, without admitting the guilt, filed Settlement Application(s) under SEBI (Settlement Proceedings) Regulations, 2018 with the Settlement Division of SEBI. 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.

(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, insider trading violations 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 personnel of the Bank 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 2023-24 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 Act.

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 2023-24. 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.

The Bank has one Wholly Owned Subsidiary as at March 31, 2024 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 2023-24, Bank has not raised funds through Preferential Allotment. In addition, during the FY 2023-24, no funds were raised through Qualified Institutions 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, 2024, 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	46,20,000	3,289,083	42,909,083
Subsidiary	16,00,000	55,000	33,800	1,688,800

Note:

- No services have been availed from network firm of statutory auditor
- Above numbers does not include taxes which are paid on actual basis

(k) 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 (FY23)	06
Number of Complaints filed during the Financial Year (FY24)	23
Number of Complaints disposed off during the Financial Year (FY24)	25
Number of Complaints pending as on the end of the Financial Year (FY24)*	4

* The investigation and action for these cases will be completed within the stipulated timelines.

(l) 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 was reviewed and approved by the Board at its meeting held on March 10, 2023 and is 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.

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.



(m) 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.

(n) Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:

The Bank had issued and posted share certificates upon receipt of the remat requests from the shareholders. However, certain share certificates were returned undelivered and remain unclaimed.

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, all shares issued pursuant to any issue which remain unclaimed shall be transferred by the Company to "Unclaimed Suspense Account".

The Bank has sent three reminders to the shareholders whose share certificates were returned undelivered. There were 63 shareholders whose 28,688 Shares in the aggregate were liable to be transferred to YBL Unclaimed Securities Suspense Escrow Account. Pursuant to Schedule VI, these 28,688 unclaimed shares were transferred to YBL Unclaimed Securities Suspense Escrow Account on June 28, 2023.

Details in respect of Equity Shares lying in the Suspense Account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the Suspense Account lying as on April 1, 2023	0	0
Aggregate Number of shareholders and the outstanding shares transferred in the Suspense Account on June 28, 2023	63	28,688
Number of shareholders who approached the Bank for transfer of shares from Suspense Account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	63	28,688

The voting rights on the shares in the suspense account shall remain frozen till the rightful owners of such shares claims the shares.

(o) 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 2023-24 and the same was placed before the Board of Directors at its meeting held on April 27, 2024.

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.

(p) 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.

(q) 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 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.

(r) 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 (IIRC), International <IR> Framework as part of its Annual Report. In FY 2022-23, the Bank published its first fully Integrated Annual Report in accordance with IIRC's <IR> framework alongwith with independent external assurance. YES BANK's Integrated Annual Report for FY 2023-24 has been prepared in accordance with the <IR> Framework and is externally assured by BSI Group India Private Limited.



(s) 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.

6. GENERAL BODY MEETINGS

(a) The details of Annual General Meeting(s) for the previous three financial years held and the Special Resolutions passed therein:

Meeting Type, Day, Date and time	Special Resolution
19 th Annual General Meeting* - Friday, August 18, 2023 at 11:00 AM	- To authorize capital raising through an issuance of debt instruments - To approve amendments to the Employees Stock Option Scheme of the Bank, namely YBL Employee Stock Option Scheme 2020 - Approval for amendment to Articles of Association ("AOA / Articles") of the Bank
18 th Annual General Meeting* - Friday, July 15, 2022 at 10:30 AM	- To authorise capital raising through an issuance of debt instruments - To approve amendments to the Employees Stock Option Scheme of the Bank, namely YBL Employee Stock Option Scheme 2020 - To Appoint Mr. Atul Malik (DIN - 07872539) as an Independent Director - To Appoint Ms. Rekha Murthy (DIN - 07825183) as an Independent Director - To Appoint Mr. Sharad Sharma (DIN - 05160057) as an Independent Director - To appoint Ms. Nandita Gurjar (DIN - 01318683) as an Independent Director - To appoint Mr. Sanjay Kumar Khemani (DIN - 00072812) as an Independent Director - To appoint Mr. Sadashiv Srinivas Rao (DIN - 01245772) as an Independent Director
17 th Annual General Meeting* - Friday, August 27, 2021 at 11.00 AM	To authorise capital raising through issuance of debt securities

* 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 Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 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 2023-24, the Bank approached the Bondholders through Postal Ballot for passing of the following Resolution:

Resolution approved by Bondholders:

Date of Postal Ballot Notice: February 27, 2024

Voting Period: February 28, 2024 at 10:00 AM to March 28, 2024 at 05:00 PM

Date of declaration of result: March 29, 2024

Date of Approval: March 28, 2024

The Board of Directors of the Bank had appointed Ms. Manisha Maheshwari, Partner of Bhandari & Associates, Company Secretaries, and failing her, Mr. S. N. Bhandari, Partner of Bhandari & Associates, Company Secretaries, as Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

Name of the Resolution	Type of Resolution
To consider and approve amendment to the Disclosure Document of Unsecured Redeemable Long Term Bonds in nature of Debentures bearing ISIN INE528G08279	Special Resolution

Mode E-voting	Number of Bondholders	Number of Bonds	Value of Bonds (in ₹)	% of value of Bonds
Voted for the Resolution	15	8,630	8,63,00,00,000	86.3
Voted against the Resolution	0	0	0	0
Not Voted/Abstained from Voting	30	1,370	1,37,00,00,000	13.7
Total	45	10,000	10,00,00,00,000	100

(c) Procedure for Postal Ballot:

Debentures/Bonds:

In compliance with provisions of Sections 108 and 110 of the Act, 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 and other relevant circulars, 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. 09/2023 dated September 25, 2023, in relation to extension of the framework provided in the aforementioned circulars up to September 30, 2024 ("MCA Circulars"), issued by the Ministry of Corporate Affairs, Government of India, 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 Bondholders 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 the Postal Ballot conducted for the purpose of providing remote e-voting facility to the Bondholders.

The Board of Directors of the Bank had appointed Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

The Bank had sent Postal Ballot Notice by e-mail to all Bondholders whose names appeared on the Register

of Bondholders / List of Beneficial Owners bearing ISIN INE528G08279 provided by the Depositories as on the cut-off date i.e. February 16, 2024 and whose email ID was registered with the Bank or Depository/ Depository Participants and the communication of assent / dissent of the bondholders was taken through the remote e-voting system.

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.

The Resolution was passed upon receipt of the consent/assent of the holders of at least three-fourth of the outstanding amount of the Bonds registered in the names of the Bondholders as on the said cut-off date.

The Scrutiniser had submitted his report to the Chairman of the Meeting, i.e. to the Nominee of the Debenture Trustee i.e. Axis Trustee Services Limited, after verification of the records and thereafter the e-voting results were declared.

Subsequently, the said results alongwith the report of the Scrutiniser were disclosed to BSE Limited within 2 working days of such declaration and uploaded on the website of the Bank. The resolution, passed by requisite majority, was deemed to have been passed on the last date specified by the Bank for e-voting.

No Special Resolution(s) requiring a Postal Ballot is being proposed at the ensuing Annual General Meeting of the Bank.



(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 and the National Stock Exchange of India Limited (NSE) at www.nseindia.com.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) Periodically reminders to the shareholders are sent for claiming unclaimed dividend.

(e) Changes in Equity Share Capital of the Bank:

As at March 31, 2024 the paid-up equity share capital of the Bank comprised of 28,767,882,106 (Two Thousand Eight Hundred and Seventy Six Crore Seventy Eight lakh Eighty Two Thousand One Hundred and Six) equity shares of ₹ 2/- each aggregating to ₹ 57,535,764,212/- (Rupees Five Thousand Seven Hundred and Fifty Three Crore Fifty Seven Lakh Sixty Four Thousand Two Hundred and Twelve 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 15, 2023	ESOP	2,65,800	2.00	28,755,041,134
2.	May 17, 2023	ESOP	2,73,000	2.00	28,755,314,134
3.	June 15, 2023	ESOP	3,56,000	2.00	28,755,670,134
4.	July 19, 2023	ESOP	2,08,750	2.00	28,755,878,884
5.	August 23, 2023	ESOP	9,30,084	2.00	28,756,808,968
6.	September 13, 2023	ESOP	12,06,404	2.00	28,758,015,372
7.	October 19, 2023	ESOP	5,68,706	2.00	28,758,584,078
8.	November 18, 2023	ESOP	9,96,042	2.00	28,759,580,120
9.	December 18, 2023	ESOP	19,94,172	2.00	28,761,574,292
10.	January 19, 2024	ESOP	17,59,595	2.00	28,763,333,887
11.	February 15, 2024	ESOP	27,59,907	2.00	28,766,093,794
12.	March 15, 2024	ESOP	17,88,312	2.00	28,767,882,106

(f) Dividend:

During FY 2023-24, 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, 2023 have transferred 60,761 (Sixty Thousand Seven Hundred and Sixty One) 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

(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, 2016 have already been transferred to the IEPF and the dividend for the financial year ended March 31, 2017 will be transferred to the IEPF after July 5, 2024 within the timelines as specified in the IEPF Rules.

In compliance with the aforesaid provisions, your Bank in July 2023 have transferred dividends amounting to ₹ 21,72,100/- (Rupees Twenty One Lakh Seventy Two Thousand One Hundred Only) for the Financial Year ended March 31, 2016.

The details of unclaimed dividends for the financial year ended 2017 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, 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 voluntary 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 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.

(c) Dividend Payment Date:

The Board of Directors of the Bank has not recommended any Dividend for the FY 2023-24.

(d) Listing on Stock Exchanges & Stock Code:

The Securities of the Bank are listed on following stock exchanges.

(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

Notes:

1. Listing Fees for the FY 2023-24 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.

(j) 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>.

7. GENERAL SHAREHOLDERS INFORMATION:

The date, time and venue of the 20th Annual General Meeting of the Bank, is as under:

Date: August 23, 2024

Time: 10:30 A.M.

Venue: Through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

(a) Financial Year:

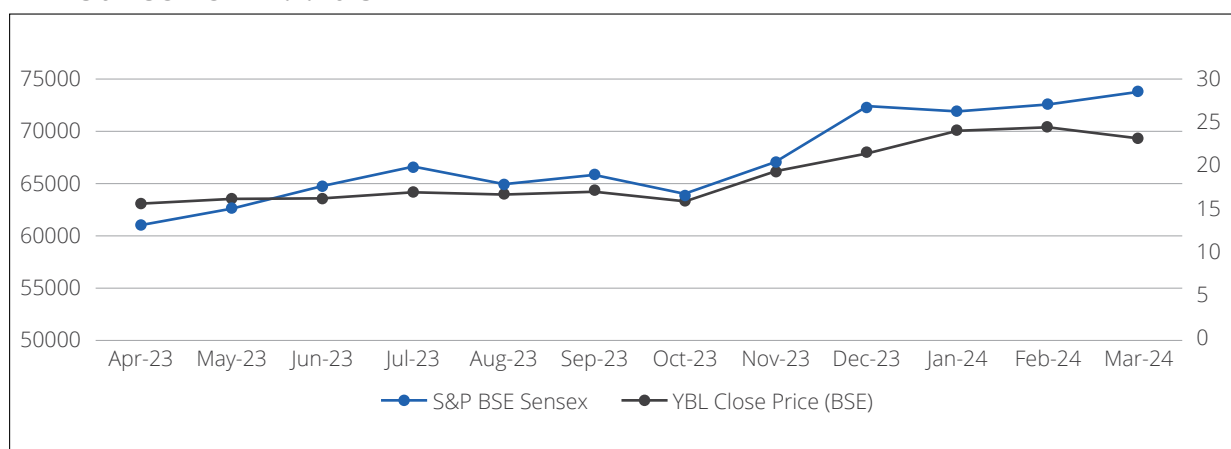
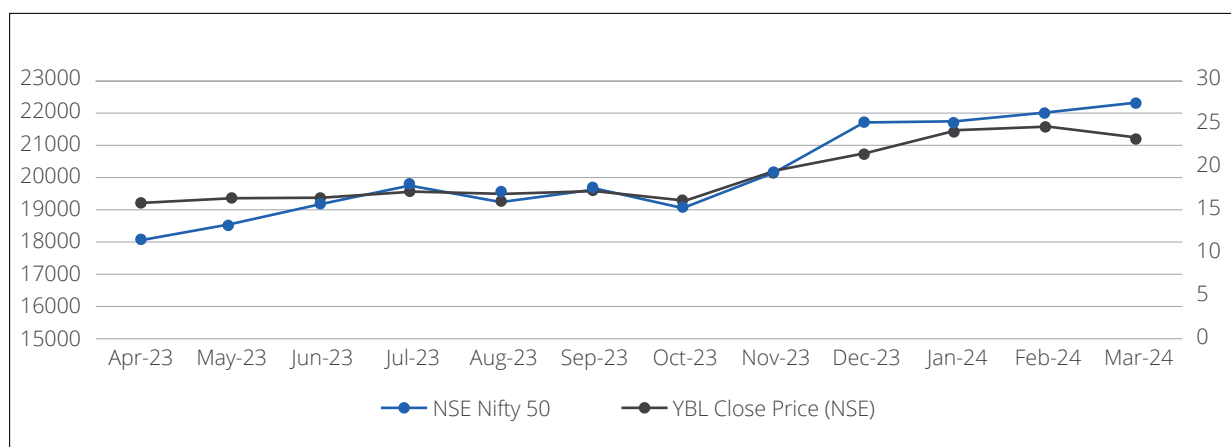
The Financial Year of the Bank starts on April 1 and ends on March 31 of next year.

(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.

(e) Market Price Data: High, Low during each month in last financial year:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-23	17.30	15.05	1,810,367,987	17.34	15.06	343,722,998
May-23	16.50	15.50	1,663,944,094	16.50	15.45	333,285,981
Jun-23	17.20	15.90	1,669,373,972	17.18	15.90	292,932,184
Jul-23	18.45	16.25	3,387,290,040	18.44	16.23	600,208,291
Aug-23	17.45	16.70	1,797,222,922	17.43	16.71	335,797,340
Sep-23	19.10	16.70	4,915,741,959	19.12	16.72	850,148,360
Oct-23	17.85	15.70	2,141,210,087	17.85	14.10	489,860,629
Nov-23	21.15	15.90	5,704,054,297	21.15	15.91	1,032,008,743
Dec-23	23.05	19.20	5,578,549,787	23.05	19.20	1,180,786,257
Jan-24	26.25	21.40	8,052,787,670	26.25	21.40	1,458,636,728
Feb-24	32.85	22.60	11,707,561,690	32.81	22.62	2,152,857,166
Mar-24	25.70	20.55	4,940,735,678	25.69	20.53	67,97,80,366

(f) Performance of the Bank's Equity Shares as compared with Indices:**YBL vis-a-vis SENSEX - F.Y. 2023-24****YBL vis-a-vis NIFTY - F.Y. 2023-24**



(g) Registrar and Share Transfer Agents:

EQUITY	DEBT
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	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

(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 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:

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>

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>.

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.

(i) Distribution of Shareholding as at March 31, 2024:

Category	No. of shareholders	%	Total Shares	Amount in ₹	% of Amount
1-5000	6186971	95.35	2851282264	5702564528	9.91
5001- 10000	150748	2.33	1119287830	2238575660	3.89
10001- 20000	82032	1.26	1177432618	2354865236	4.09
20001- 30000	26183	0.40	651032113	1302064226	2.26
30001- 40000	11663	0.18	410017970	820035940	1.43
40001- 50000	8292	0.13	384266171	768532342	1.34
50001- 100000	13618	0.21	982088667	1964177334	3.41
100001 & above	9145	0.14	21192474473	42384948946	73.67
Total	6488652	100.00	28767882106	57535764212	100.00

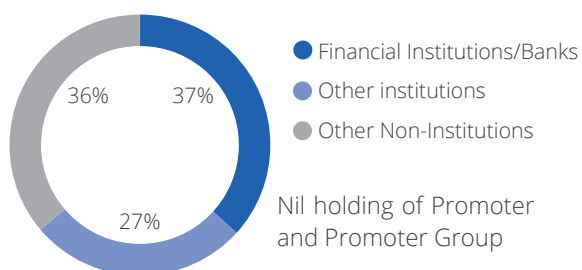
Shareholding Pattern as at March 31, 2024¹:

Sr. No.	Category	No. of Shares	% to total Share capital
I	Promoter and Promoter Group	0	0
II	Public	28,767,882,106	100.00
II (A)	Financial Institutions/Banks	10,570,574,426	36.75
(a)	State Bank of India	7,516,666,000	26.13
(b)	HDFC Bank Limited	861,972,784	3.00
(c)	ICICI Bank Limited	750,059,900	2.61
(d)	Axis Bank Limited	315,609,958	1.10
(e)	IDFC First Bank Limited	288,627,680	1.00
(f)	Kotak Mahindra Bank Limited	380,000,000	1.32
(g)	Other Financial Institutions/ Banks	457,638,104	1.59
II (B)	Other institutions	7,765,726,238	27.00
(a)	Insurance Companies	1,312,765,694	4.56
	(i) LIFE INSURANCE CORPORATION OF INDIA along with its sub- accounts	1,248,365,988	4.34
(b)	Mutual Fund	53,792,687	0.19
(c)	Alternate Investment Fund	28,488	0
(d)	Foreign Portfolio Investor	3,268,337,299	11.37
(e)	Foreign Direct Investment	3,062,336,666	10.64
	(i) CA Basque Investments	1,458,077,851	5.07
	(ii) Verventa Holdings Limited	1,604,258,815	5.58
(f)	NBFCs registered with RBI	62,374,458	0.22
(g)	Sovereign Wealth Fund	3,454,729	0.01
(h)	Provident Fund/Pension Funds	2,323,643	0.01
(i)	Foreign Companies	312,574	0
II (C)	Central Government / State Government	566,200	0.00
	Shareholding by Companies or Bodies Corporate where Central / State Government is a Promoter	566,200	0
II (D)	Other Non-Institutions	559,145,672	1.94
(a)	Bodies Corporate	557,822,406	1.94
(b)	IEPF	284,156	0
(c)	Trusts	862,513	0
(d)	Clearing Member	176,597	0

¹GRI 2-1, GRI 2-15



Sr. No.	Category	No. of Shares	% to total Share capital
II (E)	Individuals	9,871,869,570	34.31
(a)	Resident Individuals	9,168,052,021	31.87
(b)	Non-resident Indians	426,844,223	1.48
(d)	Foreign National	7,569	0
(e)	Key Managerial Personnel	909,500	0
(f)	Directors & their relatives	287,807	0
(g)	HUF	275,768,450	0.96
Total I + II		28,767,882,106	100.00



(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, 2024, 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 Share Warrants convertible into equity shares of face value ₹ 2 each on a preferential basis on December 13, 2022.

The Board of Directors of the Bank has approved allotment of 1279880909 equity shares each to CA Basque Investments and Verventa Holdings Limited on April 21, 2024 and May 05, 2024 respectively pursuant to the exercise of 1279880909 convertible share warrants held by each of them.

(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 1234 Branches; 219 BC Banking Outlets located across India and 1290 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

(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 2023 and the same was maintained as at March 31, 2024. The credit rating outlook was maintained at "Positive".
- 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 A", in August 2023 and the same were maintained as at March 31, 2024. The credit rating outlook has been maintained at "Stable".

- ICRA re-affirmed the rating for Basel II Lower Tier II bonds, Basel III Tier II Bonds and Infrastructure bonds at "ICRA A-", and Basel III Additional Tier I Bonds at "ICRA BB" in August 2023 and same were maintained as at March 31, 2024. The credit rating outlook was maintained at "Positive".
 - CARE upgraded the ratings for Infrastructure Bonds and Basel III Tier II Bonds to "CARE A" in October 2023 and the same were maintained as at March 31, 2024. Moreover, CARE assigned Ratings of "CARE A1+" to the Certificate of Deposits in October 2023 and the same was maintained as at March 31, 2024. The credit rating outlook was maintained at "Positive".
 - Moody's re-affirmed the Bank's ratings to "Ba3" in June 2023 and same was maintained as at March 31, 2024 and the credit rating outlook was maintained stable.
- (p) Debenture Trustee:**
Axis Trustee Services Limited
Address: The Ruby, 2nd Floor,
SW, 29 Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028
Contact Person: **Mr. Anil Grover,**
Chief Operating Officer
Phone no: +91-22-62300451
Fax No: +91-22-62300700
Email: debenturetrustee@axistrustee.in

For and on behalf of the Board of Directors
YES BANK Limited

Place: Mumbai
Date: May 17, 2024

Prashant Kumar
Managing Director & CEO
(DIN 07562475)

Rama Subramaniam Gandhi
Chairman
(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 the Financial Year ended March 31, 2024.

For **YES BANK Limited**

Prashant Kumar

Managing Director & CEO
(DIN No.: 07562475)

Date: April 27, 2024

Place: Mumbai

CEO / CFO CERTIFICATION

We, Prashant Kumar, Managing Director & CEO and Niranjan 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, 2024 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 of the Board, 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 27, 2024

Prashant Kumar
Managing Director & CEO
(DIN: 07562475)

Niranjan 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, Practicing Company Secretaries 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 March 31, 2024. 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 entity in the LODR for FY 2023-24.

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: F002440F000388001

Date: May 17, 2024

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, Practicing Company Secretaries 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 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 March 31, 2024 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
1	03341633	Mr. Rama Subramaniam Gandhi	Non-Executive Part-time Chairman, Independent Director	23/07/2022
2	07562475	Mr. Prashant Kumar	Managing Director & Chief Executive Officer	26/03/2020
3	08432870	Mr. Rajan Pental	Executive Director [#]	02/02/2023
4	07872539	Mr. Atul Malik	Independent Director	30/08/2021
5	07825183	Ms. Rekha Murthy	Independent Director	30/08/2021
6	05160057	Mr. Sharad Sharma	Independent Director	01/11/2021
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 (Nominee of CA Basque Investments)	13/12/2022
13	00291675	Ms. Shweta Jalan	Non-Executive Director (Nominee of Verventa Holdings Limited)	13/12/2022

*Date of appointment of Directors are as they appear on MCA Portal.

[#]As per the MCA records pertaining to the Bank, the designation of Mr. Rajan Pental (DIN: 08432870) - Whole -Time Director of the Bank is reflected as a Director and not as Whole-Time Director. The Bank has accordingly filed the requisite forms relating to the appointment of the Whole Time Director with MCA. The Bank is still in the process of getting the designation of the above-named Person changed from Director to Whole -Time Director on the MCA portal.

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: F002440F000388089

Date: May 17, 2024

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 ¹	YES Bank Limited
3	Year of incorporation	2003
4	Registered office address ¹	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	shareholders@yesbank.in
7	Telephone	+91 (22) 5091 9800; 6507 9800
8	Website	www.yesbank.in
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 5,753,57,64,212/- (Rupees Five Thousand Seven Hundred and Fifty Three Crore Fifty Seven Lakh Sixty Four Thousand Two Hundred and Twelve 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: responsible.banking@yesbank.in
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
14	Name of assurance provider	BSI Group India Private Limited
15	Type of assurance obtained	- Reasonable Assurance for BRSR Core Disclosures (For independent assurance statement please refer to page 520) - Limited Assurance for select non-core BRSR Disclosures (For independent assurance statement please refer to page 527)

II. Products/services

16. 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%

¹GRI 2-1

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)¹:

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**18. Number of locations where plants and/or operations/offices of the entity are situated¹:**

Location	Number of Plants	Number of Offices	Total
National		1,234 (Branches) + 60* (Offices)	1,294
International		1 Representative Office in Abu Dhabi	1

*Includes the Bank's IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT), which is considered an overseas branch according to Foreign Exchange Management Act.

19. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	The Bank operates 1,234 Branches; 59 Offices; 1,290 ATMs/ CRMs & BNAs; and 219 BCBOs across 28 States and 6 Union Territories of India
International (No. of Countries)	The Bank serves 42 countries through its IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT) and Representative Office in Abu Dhabi

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 2023-24 as classified under GST law and as reported in GST returns is ₹ 135,37,39,617 (₹ 135.37 crore). The same is classified as exports of service 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 Products & Services Suite section of the Integrated Annual Report on page 32.

IV. Employees**20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled)¹:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1	Permanent (D)	28,001	21,898	78.20%	6,103	21.80%
2	Other than Permanent (E)*	98	74	75.51%	24	24.49%
3	Total employees (D + E)	28,099	21,972	78.19%	6,127	21.81%
Workers						
4	Permanent (F)					
5	Other than Permanent (G)			Not applicable		
6	Total workers (F + G)					

* All trainee, advisors and consultants are classified as 'other than permanent employees'.

¹GRI 2-1, GRI 2-6, GRI 2-7



Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

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)	25	22	88%	03	12%
2	Other than Permanent (E)	-	-	-	-	-
3	Total differently abled employees (D + E)	25	22	88%	03	12%
Workers						
4	Permanent (F)					
5	Other than Permanent (G)			Not applicable		
6	Total differently abled employees (F + G)					

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Format and the Guidance Note for BRSR Format issued by SEBI. (Please refer to the Independent Assurance Statement on Page 527)

21. 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	0%

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees [#]	37.5%	40.6%	38.2%	42.6%	42.8%	42.7%	40.9%	48.9%	42.4%
Permanent Workers	Not applicable								

[#]Attrition has been computed basis average headcount as at the close of FY and includes only voluntary exits.

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. 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%	No

VI. CSR Details

24.

Sr. No.	Question	Answer
(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	No
(ii)	Turnover (in ₹)	327,002,371,000
(iii)	Net worth (in ₹)	421,453,914,000

VII. Transparency and Disclosures Compliances

25. 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 2023-24 Current Financial Year			FY 2022-23 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	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.	Nil	Nil		Nil	Nil	
Investors (other than shareholders)	Yes. Information on the grievance redressal mechanism for investors can be accessed on page 84 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 84 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	29	Nil		157	Nil	



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 2023-24 Current Financial Year			FY 2022-23 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
Employees and workers	Yes. The Policy on Employee Grievance Redressal is part of Bank's HR Policy and is available to all employees on the Bank's Intranet	132	02	All pending complaints are reviewed and resolved within TAT	64	02	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: https://www.yesbank.in/pdf?name=grievance_redressal_pdf.pdf	56452	1503	NA	62,704	2,097	NA
Value Chain Partners	The Bank has instituted a comprehensive process for supplier grievance redressal which can be accessed here - https://www.yesbank.in/strategic-procurement-unit	Nil	Nil		Nil	Nil	

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

26. 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:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Governance and Compliance	Opportunity	Refer to the 'Governance and Compliance' section on page 92 of this Integrated Annual Report for FY 2023-24		
2.	Business Ethics	Risk	Refer to the 'Business Ethics' section on page 104 of this Integrated Annual Report for FY 2023-24		
3.	Data Security & Privacy	Risk	Refer to the 'Data Security & Privacy' section on page 110 of this Integrated Annual Report for FY 2023-24		
4.	Digital Innovation	Opportunity	Refer to the 'Digital Innovation' section on page 114 of this Integrated Annual Report for FY 2023-24		
5.	Customer Relations	Opportunity	Refer to the 'Customer Relations' section on page 120 of this Integrated Annual Report for FY 2023-24		

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Employment Practice	Opportunity	Refer to the 'Employment Practices' section on page 128 of this Integrated Annual Report for FY 2023-24		
7.	Progress on Profitability	Opportunity	Refer to the 'Progress on Profitability' section on page 152 of this Integrated Annual Report for FY 2023-24		
8.	Climate Action	Risk and Opportunity	Refer to the 'Climate Action' section on page 162 of this Integrated Annual Report for FY 2023-24		
9.	Financial Inclusion	Opportunity	Refer to the 'Financial Inclusion' section on page 172 of this Integrated Annual Report for FY 2023-24		
10.	Operational eco-efficiency	Risk and Opportunity	Refer to the 'Operational Eco-efficiency' section on page 184 of this Integrated Annual Report for FY 2023-24		
11.	Sustainable Finance	Opportunity	Refer to the 'Sustainable Finance' section on page 194 of this Integrated Annual Report for FY 2023-24		

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 ¹	Y ²	Y ³	Y ⁴	Y ⁵	Y ²	NA	Y ⁴	Y ⁶
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 ¹	Y ²	Y ³	Y ⁴	Y ⁵	Y ²	NA	Y ⁴	Y ⁶
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	Y ²	N	Y ⁴	N	Y ²	NA	Y ⁴	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 ²	NA	Y ⁴	NA	Y ²	NA	Y ⁴	NA
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>): For statement of director responsible for Business Responsibility report, refer to the Message from MD & CEO in the Integrated Annual Report on Page 12									
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.	<u>Yes. The Bank has a CSR & ESG Committee of the Board that provides oversight on sustainability related issues</u> <u>The composition of the Committee is given below:</u> • Ms. Rekha Murthy (Chairperson), Independent Director (DIN: 07825183) • Ms. Nandita Gurjar (Member), Independent Director (DIN: 01318683) • Ms. Shweta Jalan (Member), Non-Executive Director; not liable to retire by rotation, Nominee of Verventa Holdings Limited (DIN: 00291675) • Mr. Sadashiv Srinivas Rao (Member), Independent Director (DIN: 01245772) • Mr. Rajan Pental (Member), Executive Director (DIN: 08432870)								



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 ¹	Y ²	Y ³	Y ⁴	Y ⁵	Y ²	NA	Y ⁴	Y ⁶	A*	H	A#	H	A#	H	NA	H	H
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y ¹	Y ²	Y ³	Y ⁴	Y	Y ²	NA	Y ⁴	Y ⁶	A*	H	A#	H	A#	H	NA	H	H
11.	P1	P2	P3	P4	P5	P6	P7	P8	P9									
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.	N	Y ²	Y ³	N	N	Y ²	NA	N	Y ⁶									

A* – Annually, A# – As required, H – Half Yearly

- In order to ensure that its employees carry out the Bank's business in line with the highest ethical standards, the Bank has instituted a Code of Conduct which can be accessed [here](#). The Bank also has an Anti-Bribery and Anti-Corruption Policy which can be accessed [here](#). The Bank's Code of Conduct and Anti-Bribery and Anti-Corruption Policy are formulated in line with the applicable regulatory requirements by various regulators (such as the Reserve Bank of India) and industry best practices. The Bank's performance against its Code of Conduct and its compliance with statutory requirements are reviewed by Board level Committees as and when necessary. The Audit Committee of the Board, annually reviews the Bank's performance against its Anti-Bribery and Anti-Corruption Policy and its compliance with statutory requirements
- The Bank's Environment & Social Policy (ESP) is based on Equator Principles and IFC Performance Standards and can be accessed [here](#). The Bank's Environmental Management Policy (EMP) is based on requirements of the ISO 14001:2015 EMS Standard and can be accessed [here](#). The Bank's performance against the ESP and EMP and its compliance with statutory requirements are reviewed by the CSR & ESG Committee of the Board on a half-yearly basis. The EMP 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 184. The implementation of the Bank's EMP is independently audited annually for its adherence to the ISO 14001:2015 EMS Standard. In FY 2023-24, the Bank was certified ISO 14001 compliant for the 11th year in a row by BSI Group India Private Ltd.
- The Bank's Equal Opportunity Policy is formulated in line with the applicable regulatory requirements and can be accessed [here](#). The Bank's performance against its Equal Opportunity Policy and its compliance with statutory requirements are reviewed by Board level Committees as and when necessary. The Bank's ESG Code of Conduct for Suppliers is aligned to the ten principles of the United Global Compact, and can be accessed [here](#). The Bank's Occupational Health and Safety (OHS) Policy is in line with the requirements of ISO 45001 standard for Occupational Health and Safety Management Systems, and can be accessed [here](#). The Bank's OHS practices are independently audited annually for their adherence to the ISO 45001 standard for OHS management system. In FY 2023-24, the Bank was certified ISO 45001 compliant for its OHS management system at its corporate office - YES BANK house and another major office, YES Fintech Center, Airoli, by BSI Group India Private Limited
- The Bank has put in place a Corporate Social Responsibility Policy in line with the requirements of Section 135 of The Companies Act, 2013 and in accordance with the Companies Rules, 2014. The policy can be accessed [here](#). The Bank's performance against its Corporate Social Responsibility Policy and its compliance with statutory requirements is reviewed by the CSR & ESG Committee of the Board on a half-yearly basis. The Bank has undertaken a CSR commitment to catalyse employment and entrepreneurship opportunities for over 100,000 youth by the year 2026. To read about the Bank's progress towards achieving its CSR commitment, please refer to page 179

5. The Bank has instituted a Human Rights Policy which is aligned to the UN Guiding Principles on Business and Human Rights, and can be accessed [here](#). Performance against the Human Rights Policy and its compliance with statutory requirements are reviewed by Board level Committee as and when necessary.
6. The Bank's Grievance Redressal Policy is compliant with ISO 9001: 2015 Quality Management System and ISO 10002 Standard for customer satisfaction. The policy can be accessed [here](#). The Bank has also instituted an Information Security Policy and Cyber Security Policy which are aligned to the ISO 27001:2013 standard on Information Security Management System, and the Payment Card Industry Data Security Standard. The Bank's performance against its Grievance Redressal Policy compliance with statutory requirements are reviewed by the Customer Service Committee of the Board (Service Excellence Committee) on a half-yearly basis. The Bank's performance against its information security policies and their compliance with statutory requirements are reviewed by the Executive-level Security Council and the Board on an annual basis. The implementation of the Bank's Grievance Redressal Policy been 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 27001:2013 Information Security Management System by QRC Assurance and Solutions Pvt. Ltd.

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		
Any other reason (please specify)									

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.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	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	1	Introduction to Landscape of Global Anti Money Laundering (AML) / Combating Finance to Terrorism (CFT), Financial Action Task Force (FATF) origin and obligation of India, FATF Regional Bodies aimed towards creating awareness and adoption of FATF recommendations, role of India as a proactive member of Asia Pacific Group and Euro Asia Group, FATF Mutual Evaluation, Outcome and impact on the Country of the aforesaid evaluation ¹	100%
Key Managerial Personnel	18	- Building Risk & Compliance Culture Workshop - Tabletop Exercise on Crisis Management - Disclosures / Declarations from the Directors of the Bank - Policies under LODR & Companies Act - Secretarial Standard	100%

¹GRI 2-17



Segment	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
		- Information Security - Human Rights Policy - Insider Trading - Mandatory Re-certification	
Employees other than BoD and KMPs	In FY 2023-24, the average training days was 8.86 & training hours was 70.92 per participant. Of the Total training hours covered 28% training hours was that of classroom and 72% was that of e-learning interventions. i) Total Number of Classroom/LDT Training sessions conducted- 6827 & ii) Total number of E-learning modules (Online Class, Video, Material, Test & Popup) completed by the employees - 1360. (For all types of training programmes and modules).	Mandatory Certification including awareness on: - Code of Conduct - POSH policy - Know Your Customer & Anti Money Laundering - Information Security - Operational Risk Management & Business Continuity Plan - Anti-Bribery and Anti -Corruption Control	98.75% were employees covered under mandatory certification & recertification 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)¹:

Monetary						
Sr. No.	Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
1	Penalty/ Fine	Principle 9	RBI	80,000	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 ten hours in a month will attract a flat penalty of ₹ 10,000/- per ATM. In this regard, during the financial year 2023-24 (till November 2023) RBI had levied a penalty of ₹ 80,000 (8 instances) for non- replenishment of Bank's ATMs located at Kanpur, Delhi, Belapur, Jaipur, Guwahati, Chennai, and Chandigarh, for more than 10 hours.	NA

¹GRI 2-27

Monetary						
Sr. No.	Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
2	Penalty/ Fine	Principle 1	RBI	10,000	RBI, has levied a penalty of ₹ 10,000 being non complainant on para 2 of part-II of the Master Direction on Direct Investment by Residents in JV/WOS abroad dated Jan 01, 2016 under Section 11(3) of FEMA, 1999	NA
3	Penalty/ Fine	Principle 9	RBI	75,000	RBI had levied a penalty of ₹ 75,000 (7 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 branches	NA
4	Penalty/ Fine	Principle 9	RBI	27,550	RBI had levied a total penalty of ₹ 27,550 (7 instances) on account of the irregularities observed in the soiled note remittance received from YES BANK Currency Chest RBI had levied a total penalty of ₹ 27,550/- on account of the irregularities observed in the soiled note remittance received from YES Bank Currency Chest.	NA
5	Settlement	NA	NA	Nil	NA	NA
6	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	Nil		NA	NA
2	Punishment	NA	Nil		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
There are no appeals/ revisions preferred against any actions/ penalties levied on the Bank	



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 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 best practices in corporate governance. The objective of this Policy is to ensure that neither YES 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

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption¹:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (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:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (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 2023-24.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables*	25	25

*For the purpose of the above calculation, accounts payables is calculated on the basis of simple average of unprocessed invoices claims outstanding at the beginning and end of each financial year. Cost of goods/services procured exclude staff salaries and includes all payments routed through the organisation's, vendor payment processing systems.

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

¹GRI 205-3

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases		
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.08%	0.07%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.37%	0.42%
	d. Investments (Investments in related parties / Total Investments made)	0.28%	0.19%

The Bank is not in the business of purchase/ sale of goods or any other commodity with trading houses/ dealers and hence such transactions are not applicable to a Banking Company

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

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	175+ vendors accounting for nearly 60% of the Bank's procurement function led spend was 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 a Code of Conduct and Ethics that the Board of Directors and Senior Management must adhere to, which is available on the weblink: 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

- 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 ₹ 2.98 crore during FY 2023-24 on energy conservation through replacement of old ACs with energy efficient (star rated) inverter ACs

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

- 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), its Airoli office and 43 of its 92 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 2023-24, the Bank completed its migration to 100% light-emitting diode (LED) fixtures in all its offices and has begun switching to star-rated air conditioners and equipment in its offices.

- 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 appointed central authorized vendors for the collection, recycling and responsible disposal of its e-waste, battery waste and other hazardous waste from all its facilities. The Bank has partnered Viagreen to recycle the dry waste generated 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.

- 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.

Leadership Indicators

- 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 identified significant environmental aspects and impacts of its business and products, and instituted a Bank-wide Environmental Management system to minimize 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 2023-24 (Current Financial Year)	FY 2022-23 (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 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA			NA		
E-waste						
Hazardous waste						
Other waste [#]						

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

Essential Indicators

1. a. Details of measures for the well-being of employees¹:

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)
Permanent employees											
Male	21,870	21,870	100%	21,870	100%	-	-	21,870	100%	-	-
Female	6,100	6,100	100%	6,100	100%	6,100	100%	-	-	6,100	100%
Total	27,970	27,970	100%	27,970	100%	6,100	100%	21,870	100%	6,100	100%
Other than permanent employees											
Male											
Female	NA										
Total											

Figures includes well-being measures for employees at India offices. 31 employees at the Abu Dhabi RO are covered under mandatory life and medical insurance schemes under UAE labour laws.

¹GRI 401-2

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	100%	61.72%	NA	
Female	99.67%	55.65%		
Total	99.94%	60.63%		

For more information, please refer to the Work-life Balance section of the Integrated Annual Report on Page no. 142

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

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*
Other than Permanent Employees	

*To ensure that all grievances are dealt promptly and fairly, the Bank has a policy on Employee Grievance Redressal policy that defines the channels for grievance reporting and a detailed redressal mechanism. Employee Grievance Redressal is part of Bank's HR Policy and is available to all employees on the Bank's Intranet.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (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)
Total Permanent Employees	Not Applicable					
Male						
Female						
Total Permanent Workers						
Male						
Female						



8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (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)
Employees										
Male	21,898	Nil	Nil	21,775	99.44%	21,727	Nil	Nil	21,326	98.15%
Female	6,103	Nil	Nil	6,044	99.03%	5,790	Nil	Nil	5,605	96.80%
Total	28,001	Nil	Nil	27,819	99.35%	27,517	Nil	Nil	26,931	97.87%
Workers										
Male										
Female						NA				
Total										

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

9. Details of performance and career development reviews of employees and worker¹:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total	No.	%	Total	No.	%
Employees						
Male	18,455	18,455	100%	16,475	16,475	100%
Female	5,007	5,007	100%	4,060	4,060	100%
Total	23,462	23,462	100%	20,535	20,535	100%
Workers						
Male						
Female						
Total						

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. This data excludes KMPs.

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

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 2023-24, the Bank implemented an OHS Management System (OHSMS) covering its Corporate Office YES BANK House and another major office, YES Fintech Center, Airoli. The Bank's OHS has been certified ISO 45001 compliant.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As part of the Bank's OHSMS, monthly safety audits and annual Hazard Identification & Risk Assessment (HIRA) exercises are carried out by the Bank covering its Corporate Office YES BANK House and another major office, YES Fintech Center, Airoli.

¹GRI 404-3

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Employees can report work related hazards by reporting them through the Infrastructure and Facilities Management (IFM) Helpdesk or YES Serve portal. Regular consultation between employees and IFM teams are also conducted through regional IFM council meets, where work related hazards can be highlighted.

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 Center:** The Bank provides free medical support services for employees at 5 key locations YES BANK House - Mumbai, Airoli, NOC Chennai, Noida, with NOC Gurgaon being the latest addition. The primary objective of these medical centers is to promote a sense of care and support at the workplace. Approximately 25% of our employees have visited the medical centers in the past 1 year for issues pertaining to fever, cough, infections which are addressed locally by a team of doctors.

These centers are dedicated to identifying, address and manage health concerns in the workplace. Apart from primary medical support, bank also provides physiotherapy and dietician consultations to its employees.

- **Insurance Benefits:** A comprehensive 'Group Mediclaim Policy' covering pre and post hospitalization of employees and their enrolled dependents (spouse, children) is sponsored by the Bank for all employees. The Bank also sponsors the 'Group Personal Accident Policy' and the 'Group Term Life Insurance Policy' with Critical Illness rider for the employees.
- **Employee Health Check-up Policy:** To encourage preventive medical check-ups, the Bank has put in place an Employee Health Check-up policy for all employees. The Bank wholly sponsors the health check-up for employees aged 45 years and above. Employees below 45 age group can avail the services at discounted rates

11. **Details of safety related incidents, in the following format¹:**

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 2023-24 (Current Financial Year)	FY 2022-23 (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

¹Including in the contract workforce

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)



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, Noida. 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 designed and all infectious disease prevention protocols are diligently followed. Sick Leaves and remote work options are also available to the workers. The Bank provides Medical Insurance, Life insurance, Critical illness and ex-gratia covers to help the workers and their families in case of hospitalisation, prolonged medical treatment, or death.

The Bank conducts webinars from time to time for the physiological and psychological wellbeing of the employees, the repository for reference is also available as a ready reckoner. 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 center and a Yoga Studio at its Corporate Office to aid employees achieve their fitness goals. First Aid training has been imparted to the key personnel of offices in Mumbai. This time First Aid Training (Dish certification) was provided to Yes Bankers as a first response reaction to any kind of medical emergency before the arrival of professional help.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (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:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	16.76%*
Working Conditions	16.76%*

*Calculated as per headcount, covering assessments carried out as part of the Bank's OHS Management System (OHSMS) ISO 45001 certification audits, at its offices - YES BANK House and YES Fintech Center, Airoli

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Format and the Guidance Note for BRSR Format issued by SEBI. (Please refer to the Independent Assurance Statement on Page 527)

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.

In FY 2023-24, the Bank implemented an Occupational Health and Safety (OHS) Management System (OHSMS) covering its Corporate Office YES BANK House and another major office, YES Fintech Center, Airoli. The Bank's OHS has been certified ISO 45001 compliant. In order to improve its OHS practices, the Bank undertook the following corrective actions during the year. The Bank also conducts fire safety training to cover contract workers and increase their awareness about potential fire hazards. Additionally, multiple advisories were floated to the Bank's employees at regular intervals. A practice of placing relevant signages near areas prone to slip & trip incidents was initiated to prevent such incidents.

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) (B) Workers (Y/N).

(A) Employees - Yes

The Bank covers its employees under certain policies wherein the nominees of employees are supported in the event of death. The nominee is entitled for cash benefits under Group Term Life Insurance, Ex Gratia, Employees Deposit Linked Insurance, Group Personal Accident (in case of accidental death) and Gratuity as per the applicable Payment of Gratuity Act. Additionally, immediate ex-gratia of 2 months' salary is extended to the families of deceased employees.

(B) Workers - 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 programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?¹ (Yes/ No)

The Bank currently does not provide transition assistance programmes.

5. Details on assessment of value chain partners:

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. 175+ vendors accounting for nearly 60% 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 minimize 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 82

¹GRI 404-2



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 & Marginalized 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

Please refer to the Stakeholder Engagement & Materiality Assessment section of the Integrated Annual Report on Page 82

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 82.

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 82.

3. Provide with, and actions taken to, address the concerns of vulnerable/ marginalized 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 1,00,000 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 9,000 youth have been skilled in market-oriented jobs across sectors since 2021 with an aim is to skill over 25,000 youth by 2026. Over 70% of the youth trained have received gainful employment. 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 35,000 farmers, women and artisans from rural India enhance their income through focused initiatives with an aim is to make a difference to 75,000 by 2026.

The Bank has also planted 2,00,000 trees on farmer's lands with a dual objective of enhancing green cover while also providing an additional source of income to farmers.

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, 2024, the Bank had an active women customer base of 6.56 lakh. Since the inception of the YES LEAP programme in 2011, the Bank has cumulatively disbursed over ₹ 16,318 crore to over 37 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:**

The Bank is committed to ensure that its business follows the highest standards of humans rights practices. In order to embed Human Rights consideration into its business, the Bank has Human Rights Policy based on the principles of the United Nations Guiding Principles on Business and Human Rights. The Bank periodically reiterates the salient features of the policy to all its employees. To ensure that all employees who join the Bank understand the policy well, all new joiners are familiarized with the policy guidelines during the induction programme. In December 2023, the Bank launched a learning intervention to create policy awareness for all employees.

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Permanent	28,001	19,239	68.70%	-	Nil	NA
Other than Permanent	98	35	35.71%	-	Nil	NA
Total Employees	28,099	19,274	68.59%	-	Nil	NA
Workers						
Permanent						
Other than Permanent						
Total Workers						

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Format and the Guidance Note for BRSR Format issued by SEBI. (Please refer to the Independent Assurance Statement on Page 527)

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (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)
Employees										
Permanent	28,001	-	-	28,001	100%	27,517	-	-	27,517	100%
Male	21,898	-	-	21,898	100%	21,727	-	-	21,727	100%
Female	6,103	-	-	6,103	100%	5,790	-	-	5,790	100%
Other than Permanent	NIL	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Format and the Guidance Note for BRSR Format issued by SEBI. (Please refer to the Independent Assurance Statement on Page 527)



3. Details of remuneration/salary/wages

a. Median remuneration / wages

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	10	50,24,657	3	36,24,828.5
Key Managerial Personnel	4	2,92,51,404	-	-
Employees other than BoD and KMP	21,894	8,44,790	6,103	6,43,197
Workers		Not Applicable		

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.
- 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

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Format and the Guidance Note for BRSR Format issued by SEBI. (Please refer to the Independent Assurance Statement on Page 527)

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	16.68%	15.54%

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

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 be reported to the Bank appointed Liaison Officer, details of whom are mentioned in the Human Rights Policy available on the Bank's website.

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). 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 workers¹:

Particulars	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	23	04	*	20	06	#
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

*For the pending cases, the investigation has been completed and further action is in progress. The same will be completed within the statutory timelines

#The pending complaints were investigated within the stipulated timelines.

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	23	20
Complaints on POSH as a % of female employees / workers	0.38%	0.35%
Complaints on POSH upheld	9	12

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

8. 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.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The Bank's ESG Supplier Code of Conduct covers human rights considerations and is a part of the Bank's contracts and orders to suppliers.

¹GRI 406-1



10. Assessments for the year:

The Bank is working towards formalizing 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	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

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 in FY 2023-24. The Bank is in the process of formalizing processes to undertake human rights due diligence for identifying vulnerable groups, and assessing the 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 the Bank's 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, 175+ vendors accounting for nearly 60% 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 minimize potential negative impacts within 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 format¹:**

Parameter	FY 2023-24 (Current Financial Year) In Megajoules	FY 2022-23 (Previous Financial Year) In Megajoules
From renewable sources		
Total electricity consumption (A)	2,64,21,555.60	22,333,957.91
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	2,64,21,555.60	22,333,957.91
From non-renewable sources		
Total electricity consumption (D)	18,82,58,621.13	18,86,50,691.22
Total fuel consumption (E)	89,99,413.59	92,45,743.33
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	19,72,58,034.72	19,78,96,434.54
Total energy consumed (A+B+C+D+E+F)	22,36,79,590.32	22,02,30,392.45
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	0.00068	0.00083
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[^] (Total energy consumed/ Revenue from operations adjusted for PPP)	0.016	0.019
Energy intensity in terms of physical output [MJ/ Full Time Employee (FTE)]	7,988.27	8,003.43

[^]PPP conversion rate used is 22.88 ₹ / USD as published by the World Bank for India, for the year 2022

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

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).

¹GRI 302-1, GRI 302-3



3. Provide details of the following disclosures related to water, in the following format¹:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
Surface water	Nil	Nil
Groundwater	Nil	Nil
Third party water*	25,46,17,742.63	26,25,69,200.00
Seawater / desalinated water	Nil	Nil
Others	Nil	Nil
Total volume of water withdrawal (in kiloliters) (I + ii + iii + iv + v)	25,46,17,742.63	26,25,69,200.00
Total volume of water consumption (in kiloliters)	25,46,17,742.63	26,25,69,200.00
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations)	0.00078	0.00099
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[^] (Total water consumption / Revenue from operations adjusted for PPP)	0.018	0.023
Water intensity in terms of physical output [KL/ Full Time Employee (FTE)]	9,093.17	9,542.07

*In FY 2023-24, the Bank amended its methodology for estimating water consumption. In addition to reporting actual data from select major offices, the Bank has also included estimated data for the remainder of its offices/ branches, using an estimate of 45 liters of water consumption per head per working day for offices, as per guidelines published by the Central Ground Water Authority (CGWA). The amendments have been applied retrospectively to the corresponding data points for FY 2022-23 and the data for water consumption has been restated. Accordingly, the water consumption for FY 2022-23, has increased by 26,24,98,481.22 KL. For FY 2023-24, information for water consumption includes actual data (from YES BANK HOUSE (Santacruz), YES FINTECH (Airoli) and Abu Dhabi Representative Office), and estimated data for the remainder of offices and branches¹.

[^]PPP conversion rate used is 22.88 ₹ / USD as published by the World Bank for India, for the year 2022

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520).

4. Provide the following details related to water discharged¹:

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 only monitors the amount of water discharged from its corporate office YES BANK House and has set up a zero liquid discharge facility at this office. At other tenanted facilities, discharge is managed by the landlords and treated through respective municipal treatment facilities, across geographies.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Nil	Nil
– No treatment	-	-
– With treatment – please specify level of treatment	-	-
(ii) To Groundwater	Nil	Nil
– No treatment	-	-
– With treatment – please specify level of treatment	-	-

¹GRI 2-4, GRI 303-3, GRI 303-4, GRI 303-5

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(iii) To Seawater	Nil	Nil
– 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	19,518*	15,162*
Total water discharged (in kilolitres)	-	-

*The Bank has set up a zero liquid discharge facility at its corporate office to treat its sewage. Treated water is used to maintain flora around the office. In FY 2023-24, the Bank has reported actual data for water treated (tertiary level treatment) at its Sewage Treatment Plant located at the Bank's corporate office, YES BANK House (Santacruz). The corresponding data point for FY 2022-23 has also been updated and has been restated¹.

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

5. 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 and discharge is minimal and is not considered a significant environmental aspect for the Bank. The Bank currently only monitors the amount of water discharged from its corporate office YES BANK House and has set up a zero liquid discharge facility at this office. At other tenanted facilities, discharge is managed by the landlords and treated through respective municipal treatment facilities, across geographies.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	KG	967.60	826.09
SOx	KG	595.58	275.78
Particulate matter (PM)	KG	493.76	50.91
HC	KG	478.23	-
CO	KG	699.81	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-

*Weighted Average methodology has been used to calculate the NOx, SOx, PM, HC & CO emissions from diesel consumption by its DG sets.

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

¹GRI 2-4



7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format¹:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent (tCO ₂ e)	3,450.23*	3,541.40
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	37,442.55 [#]	37,468.12
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ e / ₹	0.00000013	0.00000015
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[^] (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO ₂ e / Revenue from operations adjusted for PPP	0.00000029	0.00000035
Total Scope 1 and Scope 2 emission intensity in terms of physical output [tCO ₂ e/ Full Time Employee (FTE)]	tCO ₂ e / FTE	1.46	1.49

*Scope 1 emissions include refrigerant leakage from Air Conditioners used in the Bank's facilities. Scope 1 emissions also include diesel consumption by DG sets in the Bank's facilities. The emission factors have been taken from Department for Environment, Food & Rural Affairs - GOV-UK (DEFRA)

[#]Scope 2 emissions constitute CO₂ emissions from grid electricity consumed by YES BANK. Grid electricity consumption has been estimated through facility-wise electricity bills and state-wise tariff charges using a spend based method. The emission factor has been taken from the Central Electrical Authority (CEA's) CO₂ Baseline Database for the Indian Power Sector, Version 19. Tariff rates and duties/taxes have been taken from 'CEA's Electricity Tariff & Duty & Average rates of electricity supply in India 2023'.

[^]PPP conversion rate used is 22.88 INR / USD as published by the World Bank for India, for the year 2022

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

8. Does the entity have any project related to reducing Green House Gas 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 2023-24, the share of renewable energy in the Bank's electricity mix is around 11% resulting in approximately 4,609.35 tCO₂e in avoided emissions. Currently, three of the Bank's offices (corporate office, YES BANK House, YES Fintech Center, Airoli and its office in Vaman Centre, Andheri), along with 43 of the Bank's 92 Branches in Mumbai have been switched to renewables. 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 is in the process of switching to star-rated air conditioners and equipment in all its offices.

¹GRI 305-1, GRI 305-2, GRI 305-4

9. Provide details related to waste management by the entity, in the following format¹:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)*	2.47	1.36
E-waste (B)	55.35	27.06
Bio-medical waste (C)	0.014 [#]	0.011
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	23.30	49.06
Radioactive waste (F)	0.00	0.00
Other hazardous waste. Please specify, if any. (G) [€]	0.47	1.46
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)*	343.90	449.40
- Dry Waste	182.66	280.19
- Wet Waste	161.24	169.21
Total (A+B + C + D + E + F + G + H)	425.51	528.35
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000013	0.0000000020
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[^] (Total waste generated/ Revenue from operations adjusted for PPP)	0.0000000030	0.0000000045
Waste intensity in terms of physical output [MT/ Full Time Employee (FTE)]	0.015	0.019
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)¹		
Category of waste		
(i) Recycled		
- Plastic waste	0.51	0.05
- E-waste	51.76	23.00
- Bio-medical waste	0.003	0.002
- Battery waste	22.85	49.06
- Hazardous waste- residue oil from DG	0.06	-
- Other non-hazardous waste generated	58.20	64.70
- Dry waste	37.86	43.12
- Wet waste	20.34	21.58
(ii) Re-used		
- Plastic waste	0.003 [*]	-
- Other non-hazardous waste generated	0.38 [*]	-
- Dry waste	0.38	-
(iii) Other recovery operations	-	-
Total	133.78 [@]	136.81 [@]
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)¹		
Category of waste		
(i) Incineration		
- E-waste	0.72	-
- Bio-medical waste	0.006	-
- Battery waste	0.30	-
- Hazardous waste- residue oil from DG	0.40	-

¹GRI 306-3, GRI 306-4, GRI 306-5



Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(ii) Landfilling		
- Plastic waste*	1.95	1.31
- E-waste	2.87	4.06
- Bio-medical waste	0.006	0.009
- Battery waste	0.15	0.00
- Hazardous waste- residue oil from DG	0.01	1.46
- Other non-hazardous waste generated*	285.31	384.70
- Dry waste	144.42	237.08
- Wet waste	140.89	147.63
(iii) Other disposal operations	-	-
Total	291.73[@]	391.54[@]

*In FY 2023-24, the Bank amended its methodology for estimating its waste generated / disposed for the categories of plastic waste and other non-hazardous waste. For these categories, in addition to reporting actual data from select major offices, the Bank has also included estimated data for the remainder of its offices and branches, based on facility-wise headcount. The amendments have been applied retrospectively to the corresponding data points for FY 2022-23 and the data for plastic waste and other non-hazardous waste, have been restated. Accordingly, the plastic waste and other non-hazardous waste generated for FY 2022-23, have increased by 1.31 Tonnes and 381.45 Tonnes, respectively. For FY 2023-24, information for plastic waste generated / disposed includes actual data (from YES BANK HOUSE (Santacruz), YES FINTECH (Airoli), Goregaon office, and NOC Chennai) and estimated data for the remainder of offices and branches, calculated based on facility-wise headcount. Other non-hazardous waste includes dry waste (cups, paper, cartons, stationary, tissue paper etc.) and wet waste (leftover food, vegetable peels, fruits etc.). FY 2023-24, information for dry waste and wet waste generated / disposed includes actual data (dry waste from YES BANK HOUSE (Santacruz), YES FINTECH (Airoli), Goregaon office, and NOC Chennai, and wet waste from YES BANK HOUSE (Santacruz)), and estimated data for the remainder of offices and branches, calculated based on facility-wise headcount¹.

#Bio-medical waste includes data from five major offices, YES BANK HOUSE (Santacruz), YES FINTECH (Airoli), NOC Chennai, NOC Gurugram and Max Tower Noida, which have an in-house medical center

€Other hazardous waste consists of residue oil from Diesel Generators

[^]PPP conversion rate used is 22.88 INR / USD as published by the World Bank for India, for the year 2022

[@]For FY 2023-24, MT of waste recovered / total waste generated is 0.31 (0.26 for FY 2022-23). For FY 2023-24, MT of waste disposed / total waste generated is 0.69 (0.74 for FY 2022-23)

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520).

10. 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.

¹GRI 2-4

11. 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:

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.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

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	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

13. 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
Not Applicable			

Leadership Indicators

1. **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: Not Applicable

(ii) Nature of operations: Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format: Not Applicable



Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		Not Applicable
Total volume of water consumption (in kilolitres)		
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)		
(i) Into Surface water		
– No treatment		
– With treatment – please specify level of treatment		
(ii) Into Groundwater		
– No treatment		
– With treatment – please specify level of treatment		
(iii) Into Seawater		
– No treatment		
– With treatment – please specify level of treatment		Not Applicable
(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		
Total water discharged (in kilolitres)		

2. Please provide details of total Scope 3 emissions & its intensity, in the following format¹:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent (tCO ₂ e)	17,68,525.54*	5,72,923.41
Total Scope 3 emissions per rupee of turnover	tCO ₂ e / INR	0.0000054	0.0000022
Total Scope3 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)[^]	tCO ₂ e / revenue from operations adjusted for PPP	0.00012	0.00005
Total Scope 3 emission intensity	tCO ₂ e / Full Time Employee (FTE)	63.16	20.82

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

Category 1: Purchased goods and services: includes only emission from paper (A4) consumption. Environmental impact estimates (for paper consumption) were made using the Environmental Paper Network Paper Calculator Version 4.0

¹GRI 305-3

Category 2: Capital goods: includes only emission for laptops purchased in FY 2023-24. Emission factors have been taken from the websites of respective laptop manufacturers

Category 3: Fuel-and energy-related emissions not included in scope 1 or scope 2: includes Well-to-Tank emissions for diesel and Transmission and Distribution losses from electricity consumption. Emission factors have been taken from the websites of the Department for Environment, Food and Rural Affairs (DEFRA), UK and the International Energy Agency (IEA)

Category 5: Waste generated in operations: includes emissions from generated waste (dry waste, wet waste, plastic waste, hazardous, E-waste, and battery waste). Emission factors have been taken from the DEFRA website

Category 6: Business travel: includes emissions from air travel. The emission factor for Business Travel have been taken from the 'Emission Factors for Greenhouse Gas Inventories' published by the Environmental Protection Agency (EPA), USA

Category 7: Employee commuting: includes emission from employee commute (to and from) their work locations. The emission factors for employee commute have been taken from India Specific Road Transport Emission Factors & India Specific Rail Transport Emission Factors for Passenger Travel and Material Transport by the India GHG programme. The emissions through daily employee commute have been estimated basis responses received through a primary pan-bank survey

Category 8: Upstream leased assets: includes emission from outsourced data centers. The emission factor for electricity consumption through data centers is taken from the Central Electrical Authority (CEA's) CO2 Baseline Database for the Indian Power Sector, Version 19

Category 15: Investments: Financed Emission: includes financed emissions from cement manufacturing portfolio and electricity generation portfolio (covering corporate loans, investment and project finance) (In FY 23, coverage was limited to electricity generation portfolio). In FY 24, attributed financed emission of electricity generation and cement (manufacturing) portfolio are 719,369.54 tCO₂e and 1,010,419.39 tCO₂e respectively. The Bank has utilized "PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions Second Edition" to estimate financed emission. Where client emission data are not available publicly, BANK has utilized "Central Electrical Authority (CEA's) CO2 Baseline Database for the Indian Power Sector, Version 19" for emission intensity of electricity generation sector and utilized "Climatiq data explorer version 13.13, Source: CBAM 2023 Region India" for emission intensity of cement manufacturing sector.

[^]PPP conversion rate used is 22.88 INR / USD as published by the World Bank for India, for the year 2022

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

3. 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

4. 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, Airoli office, Vaman Centre and 43 out of 92 the Bank's Branches in Mumbai	Share of renewable energy in the Bank's electricity mix 12.31% resulting in approximately 5,254.95 tCO ₂ e in avoided emissions in FY 2023-24
Enhanced energy efficiency	Replaced 956 tonnage / 685 Units of ACs in 167 Branches with energy efficient (star rated) Inverter ACs and migration to LED lighting	In FY 23-24, Replacement to inverter ACs resulted in approximately 29,48,711 MJ in energy saving and the Bank has also completed it's migration to 100% LED lightings in all it's facilities, across India.
Green Building certification	Two of YES BANK large offices have been certified as Green Buildings	YES BANK House is Platinum certified and Delhi's Okhala Office is Gold certified as per the Indian Green Building Council (IGBC) standard
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



Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
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
ISO 140001	Expanded the scope of its Environmental Management System (EMS) to 1,186 facilities which have been certified as per ISO 14001 EMS Standard	This is the highest number of facilities that have been certified as per ISO 14001, in the Banking financial services and Insurance sector, globally

5. 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 minimize 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 Banks business continuity plan is ISO 22301 certified.

6. 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.

Some large projects financed by the Bank generate carbon emissions, which if unmitigated or unchecked may contribute to increasing global warming. In FY 2021-22, YES BANK became the first Bank in India to measure and report financed emissions 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. The Bank has undertaken 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 Climate Action section of the Integrated Annual Report on page 162.

7. 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, 175+ key vendors accounting for nearly 60% 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/ associations¹.

YES BANK is affiliated to a number of trade and industry associations. Eight of its 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. Associated Chambers of Commerce and Industry of India (ASSOCHAM)
2. Confederation of Indian Industry (CII)
3. Forex Association of India (FAI)
4. Foreign Exchange Dealer's Association of India (FEDAI)
5. Federation of Indian Chambers of Commerce & Industry (FICCI)
6. Fixed Income Money Market and Derivatives Association of India (FIMMDA)
7. Indian Banks' Association (IBA)
8. 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 authorities².

There are no such instances to report.

B. Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy Advocated	Method resorted to for such advocacy	Whether information available in public domain (Yes/No)	Web link, if available
1	Sustainable Agriculture for Climate Action	Knowledge Partnered with FICCI for the Sustainable Agriculture Summit and Awards programme 2023	Yes	https://www.yesbank.in/beyond-banking/research/food-and-agriculture https://ficci.in/public/api/past_event_details/26946
2	Supporting crop protection solutions for ensuring food security and boosting sustainable growth of Indian agriculture	Knowledge partnership with Croplife for the National Conference on India along with the organisation of the Emerging Global Food Hub	Yes	https://www.yesbank.in/beyond-banking/research/food-and-agriculture https://www.theweek.in/wire-updates/business/2023/09/30/dcm14-croplife-india.html https://www.agribusinessglobal.com/agrochemicals/croplife-india-report-inr-2-lakh-crores-of-annual-yield-loss-due-to-pests-in-india/
3	Sustainable Agriculture Development	Knowledge partnership for the International Soya Conclave	Yes	https://www.yesbank.in/beyond-banking/research/food-and-agriculture
4	Supporting Electric Mobility	Knowledge Partner to FICCI for a report on "India@2047: Electric Mobility", prepared basis consultation with industry stakeholders	Yes	https://ficci.in/api/study_details/23795

¹GRI 2-28, GRI 206-1



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
Not Applicable					

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)
Not Applicable					

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 suppliers¹:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers*	16%	13%
Directly from within India*	100%	100%

*In FY 23-24, 769 MSME vendor amounting to total spend of ₹ 862 crore and in FY 22-23, 745 vendors amounting to total spend of ₹ 700 crore

*In FY 23-24, all 7,635 vendors amounting to total spend of ₹ 5,378 crore PAN Bank and in FY 22-23, all 7,600 vendors amounting to total spend of ₹ 5,299 crore

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	1.24%	1.53%
Semi-urban	5.58%	5.27%
Urban	18.01%	17.34%
Metropolitan	75.17%	75.86%

¹GRI 204-1

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

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):

Details of negative social impact identified	Corrective action taken
Not Applicable	

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 ₹)
Rajasthan	Karauli and Dholpur	1,29,74,814
Gujarat	Dahod	1,25,00,000
Odisha	Dhenkanal	4,00,750
Jharkhand	Hazaribagh and Ramgarh	16,32,000
Bihar	Gaya	10,20,000
Assam	Barpeta	11,98,530

**Though there was no CSR applicability on the Bank for FY 23-24, an excess CSR spend of ₹ 10 crore was incurred towards social development projects through YES Foundation.*

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Format and the Guidance Note for BRSR Format issued by SEBI. (Please refer to the Independent Assurance Statement on Page 527)

3.(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Bank does not have a formalized policy for preferential treatment for marginalized/ vulnerable groups. However, it continues to support vendors in such categories. Almost all of the Bank's procurement is done through domestic vendors. As the Bank is spread across the country, it also procures from local vendors for localized consumption of products and services.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

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 the Bank 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
Not Applicable			

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.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		



6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Employability	2,200 youth	100
Entrepreneurship	6,000 farmers	100
	100 MSMEs	0
Environment Sustainability	2,00,000 trees planted on land of 222 farmers	41

Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Format and the Guidance Note for BRSR Format issued by SEBI. (Please refer to the Independent Assurance Statement on Page 527)

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 about¹:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable*
Safe and responsible usage	100%*
Recycling and/or safe disposal	Not Applicable®

**Given the Bank's nature of business as a sector enterprise and a financial institution, the Bank does not offer products which are required to carry information about environmental parameters. The Bank has however undertaken various initiatives to integrate environmental parameters into its customer-facing processes and operations –*

1. 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&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.

¹GRI 417-1

2. The Bank also undertakes a number of initiatives to promote the adoption digital and paperless banking in order to minimize the environmental impact of its services, such as:
- Promoting the use of digital/ online statements in order to save paper
 - Offering virtual credit cards to save plastic
 - Relationship Managers are encouraged to disseminate marketing collaterals to customers in digital formats such as, short videos, images, GIFs that can be conveniently shared and consumed
 - Introduction of in-app statement generation to reduce the requirement of printed statements
 - Digitisation of account opening processes to reduce documentation
 - Regular review and migration of service requests to online channels, i.e. Internet Banking, Mobile Banking, etc
 - Replacing physical standees at branches and corporate offices with digital screens

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 are 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 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
- Rural customers are informed about responsible practices in loan usage and repayment

@ Given the Bank's nature of business as a service sector enterprise and a financial institution, the Bank does not offer products which carry information about recycling and safe disposal

3. Number of consumer complaints in respect of the following:

Particulars	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	27	2	-	18	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	36	0	Sales related	50	0	Sales related
Other	56,384	1501	General Grievances	62,636	2,097	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.



Independent limited assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the GRI Standards. (Please refer to the Independent Assurance Statement on Page 532)

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable

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 the 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 / services¹.

In view of the penalty received from RBI towards cash unavailability in the ATMs (please refer page 336 for details), the Bank has taken corrective action by closely monitoring the cash availability in its ATMs to ensure timely replenishments. No similar incident has been reported since August 2023.

There were no corrective actions taken or underway on the issues mentioned above.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil*
- Percentage of data breaches involving personally identifiable information of customers: Nil*
- Impact, if any, of the data breaches: Nil*

**Includes system related data breaches pertaining to the enterprise*

Independent reasonable assurance for the above disclosure has been carried out by BSI Group India Private Limited, in accordance with the BRSR Core – Framework for assurance and ESG disclosures for value chain. (Please refer to the Independent Assurance Statement on Page 520)

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/>

¹GRI 417-2

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, the Bank’s Corporate Communication is entrusted with the responsibility of coordinating the Bank’s communication strategy, based on the severity of the situation. 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:

- **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
- **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
- **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
- **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.

YES 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

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. The Bank has a robust Customer Experience Framework wherein 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's measures its Net Promoter score (NPS), which is a metric for measuring customer experience and is a predictor of customer loyalty, across channels like Branch Banking, Digital channels, Call Centers, Relationship Managers, amongst others, and customer insights, therein are shared with teams across the Bank.

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, 2024, 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 (hereinafter referred to as "Standalone Financial Statements").

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, 2024, 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
Asset Classification of Advances and Investments (IRAC) and Provisioning	
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.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of asset classification and provisioning pertaining to investments and advances. In particular:
As required under prudential norms issued by the Reserve Bank of India (RBI) in respect of asset classification and provisioning pertaining to investments as well as those pertaining to advances, and relevant circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2024, classifies advances into performing and non-performing advances (NPA) which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions.	- 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; - Tested key IT systems/ applications used and their design and implementation as well as operational effectiveness of relevant controls, in relation to 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
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. 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.	• 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; • Tested, selected restructured accounts on sample basis and their compliance with relevant RBI guidelines; • 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; • Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning; • Undertaken the walkthrough for the automated E-NPA system and tested the core functionality for selected samples considering the audit universe. • Validated the parameters used to calculate collective provisions with reference to IRAC norms, and Regulatory Package; • Tested provision created for fraud accounts as at March 31, 2024 as per the RBI circular; • 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) • Assessed the adequacy of disclosures against the RBI Guidelines
IT Systems and Controls over financial reporting	• 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.

Key Audit Matters	Auditor's Response
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. Such controls provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.	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. • 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 & Environmental Security, Creation and maintenance of edit logs, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement. • 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. • 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. • 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. • 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.

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, Business Responsibility and Sustainability Report, Directors' Report forming part of the Annual Report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon and the Pillar III Disclosures under Basel

III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. 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.

Other Matter

The Standalone Financial Statements for the year ended March 31, 2023, have been audited by one of the predecessor auditors M.P. Chitale & Co. and continuing joint statutory auditors Chokshi & Chokshi LLP, whose report dated April 22, 2023 had expressed an unmodified opinion. The above report has been furnished to us

by the management and has been relied upon by us for the purpose of our audit of the Standalone Financial Statements.

Our opinion is not modified in respect of this matter.

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) The Bank considers its key operations, with the key applications largely integrated to the Core Banking System, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally based on the records and data made available to us at Head Office. During the course of our audit, we have visited and performed select relevant procedures at 56 branches;
 - (d) The profit and loss account shows a true balance of profit for the year then ended
- 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 on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, 2024 on its financial position in its standalone financial statements - Refer Note No. 17.5.11 and 17.5.80 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. 17.5.74 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, 2024
- 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) Based on our examination which included test checks, the Bank has used accounting software for maintaining its books of account which, along with access management tools, as applicable, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

- 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 G.M. Kapadia & Co.

Chartered Accountants
(Registration No. 104767W)

Atul Shah

Partner
(Membership No. 039569)
UDIN: 24039569BKAUIJ3549

Place: Mumbai

Date: April 27, 2024

For Chokshi & Chokshi LLP

Chartered Accountants
(Regn. No. 101872W / W100045)

Vineet Saxena

Partner
(Membership No. 100770)
UDIN: 24100770BKCORF3935

Place: Mumbai

Date: April 27, 2024



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, 2024

(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, 2024)

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")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of YES BANK Limited ("the Bank") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has 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, 2024, with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

Management's Responsibility for Internal Financial Controls

The Bank's management and Board of Directors are responsible for establishing and maintaining internal financial controls 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.

For G.M. Kapadia & Co.

Chartered Accountants
(Registration No. 104767W)

Atul Shah

Partner
(Membership No. 039569)
UDIN: 24039569BKAUIJ3549

Place: Mumbai

Date: April 27, 2024

For Chokshi & Chokshi LLP

Chartered Accountants
(Regn. No. 101872W / W100045)

Vineet Saxena

Partner
(Membership No. 100770)
UDIN: 24100770BKCORF3935

Place: Mumbai

Date: April 27, 2024



Standalone Balance Sheet

as on March 31 2024

(₹ in thousands)

	Schedule	As on March 31, 2024	As on March 31, 2023
CAPITAL AND LIABILITIES			
Capital	1	57,535,764	57,509,551
Share Warrants Subscription Money	Note 17.5.2	9,483,918	9,483,918
Reserves and surplus	2	354,434,232	340,431,129
Deposits	3	2,663,721,717	2,175,018,616
Borrowings	4	799,408,803	774,519,923
Other liabilities and provisions	5	170,345,465	190,898,171
TOTAL		4,054,929,899	3,547,861,308
ASSETS			
Cash and balances with Reserve Bank of India	6	181,392,387	128,640,853
Balances with banks and money at call and short notice	7	7,904,007	64,103,522
Investments	8	902,351,322	768,882,974
Advances	9	2,277,994,720	2,032,694,436
Fixed assets	10	28,565,218	24,447,724
Other assets	11	656,722,245	529,091,799
TOTAL		4,054,929,899	3,547,861,308
Contingent liabilities	12	7,969,572,249	6,613,854,796
Bills for collection		153,682,865	174,132,625
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 Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors

YES BANK Limited

CIN: L65190MH2003PLC143249

Vineet Saxena

Partner

Membership No: 100770

Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

Sanjay Khemani

Director

(DIN: 00072812)

Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Rajan Pental

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

Mumbai

April 27, 2024

Standalone Profit & Loss Account

for the year ended March 31 2024

(₹ in thousands)

	Schedule	For the year ended March 31, 2024	For the year ended March 31, 2023
I. INCOME			
Interest earned	13	275,859,383	226,974,304
Other income	14	51,142,988	36,850,569
TOTAL		327,002,371	263,824,873
II. EXPENDITURE			
Interest expended	15	194,913,182	147,798,587
Operating expenses	16	98,226,576	84,198,646
Provisions and contingencies	Note 17.5.12	21,351,818	24,653,553
TOTAL		314,491,576	256,650,786
III. PROFIT/(LOSS)			
Net profit/(loss) for the year		12,510,795	7,174,087
Profit/(loss) brought forward		(100,519,740)	(106,965,664)
TOTAL		(88,008,945)	(99,791,577)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		3,127,699	1,793,522
Transfer to Capital Reserve		262,640	31,666
Transfer to Investment Reserve		431,921	16,787
Transfer to Investment Fluctuation Reserve		472,297	2,358,763
Transfer to Revenue and other Reserves	Note 17.5.9	(1,253,752)	(3,472,576)
Dividend paid		-	-
Balance carried over to balance sheet		(91,049,750)	(100,519,740)
TOTAL		(88,008,945)	(99,791,577)
Significant Accounting Policies and Notes to Accounts forming part of financial statements	17		
Earnings per share	Note 17.5.41		
Basic (₹)		0.44	0.27
Diluted (₹)		0.43	0.27
(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 Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors

YES BANK Limited

CIN: L65190MH2003PLC143249

Vineet Saxena

Partner

Membership No: 100770

Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

Sanjay Khemani

Director

(DIN: 00072812)

Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Rajan Pental

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

Mumbai

April 27, 2024



Standalone Cash Flow Statement

for the year ended March 31 2024

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from/(used in) Operating Activities		
Net profit before taxes	14,999,782	9,629,184
Adjustment for		
ESOP Compensation Expense	312,565	216,262
Depreciation for the year	5,410,402	4,290,578
Amortization of premium on investments	4,105,944	3,868,850
Provision / revaluation for investments	351,771	24,122,209
Provision for standard advances	(1,011,477)	(1,496,202)
Provision/write off of non performing advances	27,642,686	(15,264,116)
Other provisions	942,849	(225,075)
Difference of purchase consideration and value of net assets acquired charged off to P&L (Refer note 17.5.77)	9,650	-
(Profit)/Loss on sale of land, building and other assets	20,624	(46,659)
(i)	52,784,796	25,095,031
Adjustments for :		
Increase / (Decrease) in Deposits	488,703,101	203,101,285
Increase/(Decrease) in Other Liabilities	(21,719,313)	42,816,613
(Increase)/Decrease in Investments	(23,235,177)	(156,270,461)
(Increase)/Decrease in Advances	(272,942,970)	(206,910,410)
(Increase)/Decrease in Other assets	(123,864,389)	(163,387,371)
(ii)	46,941,252	(280,650,344)
Payment of direct taxes (iii)	(3,766,056)	(704,806)
Net cash generated from/(used in) operating activities (A) (i+ii+iii)	95,959,992	(256,260,119)
Cash flow from/(used in) investing activities		
Purchase of fixed assets	(9,736,256)	(7,884,038)
Proceeds from sale of fixed assets	187,736	523,661
Investment in equity shares of the subsidiary company	(999,999)	-
Difference of purchase consideration and value of net assets acquired charged off to P&L (Refer note 17.5.77)	(9,650)	-
Investment in equity shares of Asset Reconstruction Company	(731,421)	(270,090)
(Increase) / Decrease in Held To Maturity (HTM) securities	(112,959,465)	(121,377,925)
Net cash generated from / (used in) investing activities (B)	(124,249,055)	(129,008,392)
Cash flow from/(used in) financing activities		
Increase/(decrease) in Borrowings (gross)	27,688,880	70,112,088
Tier I/II Debt repaid during the year	(2,800,000)	(17,638,000)
Proceeds from issue of Share Capital (net of share issue expense)	171,955	50,881,913
Proceeds from share warrants subscription money	-	9,483,918
Net cash generated from / (used in) financing activities (C)	25,060,835	112,839,919

Standalone Cash Flow Statement

for the year ended March 31 2024

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Effect of exchange fluctuation on translation reserve (D)	(219,751)	(1,222,927)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(3,447,979)	(273,651,519)
Cash and cash equivalents as at April 1, 2023	192,744,375	466,395,894
Cash and cash equivalents as at March 31, 2024	189,296,395	192,744,375
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	181,392,387	128,640,853
Balances with Banks and Money at Call and Short Notice	7,904,008	64,103,522
Cash and cash equivalents as at March 31, 2024	189,296,395	192,744,375

As per our report of even date attached.

For Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors

YES BANK Limited

CIN: L65190MH2003PLC143249

Vineet Saxena

Partner

Membership No: 100770

Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

Sanjay Khemani

Director

(DIN: 00072812)

Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Rajan Pental

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

Mumbai

April 27, 2024



Schedules

forming a part of Standalone Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 1 - CAPITAL		
Authorised Capital		
40,000,000,000 equity shares of ₹ 2/- each	80,000,000	80,000,000
20,000,000 preference shares of ₹ 100/- each	2,000,000	2,000,000
Issued, subscribed and paid-up capital (Refer Sch 17.5.1)		
28,767,882,106 equity shares of ₹ 2/- each	57,535,764	57,509,551
(March 31, 2023 : 28,754,775,334 equity shares of ₹ 2/- each)		
TOTAL	57,535,764	57,509,551

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserves		
Opening balance	53,393,153	51,599,631
Additions during the year	3,127,699	1,793,522
Deductions during the year	-	-
Closing balance	56,520,852	53,393,153
II. Share Premium		
Opening balance	366,438,573	322,949,781
Additions during the year (Refer Sch 17.5.1)	173,577	43,488,792
Deductions during the year	-	-
Closing balance	366,612,150	366,438,573
III. Capital Reserve		
Opening balance	17,299,817	17,268,151
Additions during the year (Refer Sch 17.5.4)	262,640	31,666
Deductions during the year	-	-
Closing balance	17,562,457	17,299,817
IV. Investment Reserve		
Opening balance	584,916	568,129
Additions during the year (Refer Sch 17.5.5)	431,921	16,787
Deductions during the year	-	-
Closing balance	1,016,837	584,916
V Foreign Currency Translation Reserve		
Opening balance	(1,303,463)	(80,536)
Additions during the year	(219,750)	(1,222,927)
Deductions during the year	-	-
Closing balance	(1,523,213)	(1,303,463)
VI. Cash Flow Hedge Reserve		
Opening balance	-	-
Additions during the year (Refer Sch 17.5.6)	-	-
Deductions during the year	-	-
Closing balance	-	-
VII. Investment Fluctuation Reserve		
Opening balance	4,245,715	1,886,952
Additions during the year (Refer Sch 17.5.7)	472,297	2,358,763
Deductions during the year	-	-
Closing balance	4,718,012	4,245,715

Schedules

forming a part of Standalone Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
VIII. Employee Stock Options Reserve		
Opening balance	292,158	82,420
Additions during the year (Refer Sch 17.5.8)	312,565	216,262
Deductions during the year	27,836	6,524
Closing balance	576,887	292,158
IX. Balance in Profit and Loss Account	(91,049,750)	(100,519,740)
TOTAL	354,434,232	340,431,129

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 3 - DEPOSITS		
A. I. Demand Deposits		
i) From Banks	25,236,766	19,913,112
ii) From others	388,203,128	316,115,700
II. Savings Bank Deposit	409,729,868	332,999,169
III. Term Deposits		
i) From banks	81,248,319	93,738,300
ii) From others (incl. certificate of deposits issued)	1,759,303,636	1,412,252,335
TOTAL	2,663,721,717	2,175,018,616
B. I. Deposits of branches in India	2,643,633,224	2,165,931,488
II. Deposits of branches outside India	20,088,493	9,087,128
TOTAL	2,663,721,717	2,175,018,616

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 4 - BORROWINGS		
I. Borrowing in India		
i) Reserve Bank of India ¹	16,450,000	67,370,000
ii) Other banks	43,277,950	19,271,250
iii) Other institutions and agencies ^{1 & 2}	478,407,545	442,696,692
iv) Innovative Perpetual Debt Instruments (IPDI)	-	2,800,000
v) Tier II Borrowings	139,412,000	139,412,000
TOTAL (A)	677,547,495	671,549,942
II. Borrowings outside India		
i) Borrowings outside India	121,861,308	102,969,981
ii) Innovative Perpetual Debt Instruments (IPDI)	-	-
iii) Tier II Borrowings	-	-
TOTAL (B)	121,861,308	102,969,981
TOTAL (A+B)	799,408,803	774,519,923

(1) Secured borrowings are ₹ 22,279,505 thousands (March 31, 2023: ₹ 111,808,311 thousands).

(2) Including ₹ 438,078,040 thousands of refinance borrowing (March 31, 2023: ₹ 360,458,382 thousands) ₹ 13,150,000 thousands (March 31 2023: ₹ 16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹ 21,350,000 thousands (March 31, 2023: ₹ 21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.



Schedules

forming a part of Standalone Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	4,986,264	7,511,786
II. Inter-office adjustments (net)	-	-
III. Interest accrued	27,001,197	24,363,761
IV. Others (including provisions)		
- Provision for standard advances	16,733,338	17,744,816
- Country risk provision	-	102,035
- Others*	121,624,666	141,175,773
- Income Tax Provision	-	-
TOTAL	170,345,465	190,898,171

*Others includes Marked to Market adjustments on derivatives ₹ 53,897,552 thousands (March 31, 2023: ₹ 69,922,500 thousands)

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	9,620,705	8,891,955
II. Balances with Reserve Bank of India		
- In current account	151,681,682	119,748,898
- In other account	20,090,000	-
TOTAL	181,392,387	128,640,853

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
Balances with banks-		
i) In current accounts	2,686,303	3,226,769
ii) In other deposit accounts	1,056,910	864,510
Money at call and short notice		
i) With Banks	-	820,000
ii) With other institutions	-	24,331,430
TOTAL (I)	3,743,213	29,242,709
II. Outside India		
i) In current account	617,749	10,199,952
ii) In other deposit account	-	-
iii) Money at call and short notice	3,543,045	24,660,860
TOTAL (II)	4,160,794	34,860,813
TOTAL (I+II)	7,904,007	64,103,522

Schedules

forming a part of Standalone Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 8 - INVESTMENTS (Net of provisions)		
I. Investments in India		
i) Government Securities*	806,206,308	651,582,015
ii) Other approved securities	-	-
iii) Shares	1,283,620	503,120
iv) Debentures and bonds	59,997,095	49,889,311
v) Subsidiaries and/or joint ventures	2,489,999	1,490,000
vi) Others (Commercial Papers, Certificate of Deposits, Security Receipts, Pass through certificates, Mutual Funds, Venture Capital Funds etc.)	24,561,295	50,922,443
TOTAL (I)	894,538,317	754,386,889
II. Investments outside India		
i) Government Securities	7,806,343	12,202,605
ii) Shares	6,662	6,630
iii) Debentures and bonds	-	1,330,786
iv) Others (MFs)	-	956,064
TOTAL (II)	7,813,005	14,496,085
TOTAL (I+II)	902,351,322	768,882,974

* Includes securities of face value ₹ 48,303,545 thousands (March 31, 2023: ₹ 112,842,783 thousands) pledged for clearing facility and margin requirements.

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 9 - ADVANCES (Net of provisions)		
A.		
i) Bills purchased and discounted (net of Bills rediscounted)	36,531,550	26,954,447
ii) Cash credit, overdrafts and loans repayable on demand ⁽¹⁾	732,950,540	603,540,532
iii) Term loans	1,508,512,630	1,402,199,457
TOTAL	2,277,994,720	2,032,694,436
B.		
i) Secured by tangible assets (includes advances secured by fixed deposits and book debt)	1,754,090,502	1,532,745,867
ii) Covered by Bank/Government guarantees	20,260,291	63,408,099
iii) Unsecured ⁽²⁾⁽³⁾	503,643,927	436,540,470
TOTAL	2,277,994,720	2,032,694,436

(1) Includes NIL (March 31, 2023: ₹ 30,689,277 thousands) 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, 2024 advances of ₹ 49,662,585 thousands (March 31, 2023: ₹ 48,929,005 thousands) for which security documentation is either being obtained or being registered.

(3) Includes at March 31, 2024 advances amounting to ₹ 2,763,700 thousands (March 31, 2023 : ₹ 1,427,223 thousand) has been secured by intangible securities such as charge over the rights, licenses, authority, etc.

C. I. Advances in India		
i) Priority sectors	963,870,601	759,181,119
ii) Public sector	-	-
iii) Banks	5,879,698	3,002,559
iv) Others	1,248,641,182	1,204,823,831
TOTAL (I)	2,218,391,481	1,967,007,509
II. Advances outside India		
i) Due from Banks	207,781	1,052,637
ii) Due from Others	59,395,458	64,634,290
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	19,951,099	10,654,379
(c) Others	39,444,359	53,979,911
TOTAL (II)	59,603,239	65,686,927
TOTAL (I+II)	2,277,994,720	2,032,694,436



Schedules

forming a part of Standalone Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
At cost as on March 31 of preceding year	12,102,530	12,480,561
Additions during the year	-	-
Deductions during the year	-	(378,031)
Accumulated depreciation to date	(528,248)	(356,925)
TOTAL (I)	11,574,282	11,745,605
II. Other Fixed Assets (including furniture and fixtures and software)		
At cost as on March 31 of preceding year	32,330,517	27,003,222
Additions during the year	9,127,617	6,167,179
Deductions during the year	(697,759)	(839,884)
Accumulated depreciation to date	(27,335,762)	(22,586,082)
TOTAL (II)	13,424,613	9,744,435
TOTAL (I+II)	24,998,895	21,490,040
Capital work-in-progress	3,566,323	2,957,684
TOTAL	28,565,218	24,447,724

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 11 - OTHER ASSETS		
I. Interest Accrued	27,912,689	22,422,111
II. Advance tax and tax deducted at source (net of provision)	11,933,776	6,851,567
III. Deferred tax asset (Refer Sch 17.5.53)	85,630,915	89,411,542
IV. Stationery and stamps	2,115	1,563
V. Non-Banking assets acquired in satisfaction of claims	353,000	353,000
VI. Others*	530,889,750	410,052,016
TOTAL	656,722,245	529,091,799

*1. Includes deposits placed with NABARD/SIDBI/NHB, etc. of ₹ 440,872,509 thousands (March 31, 2023: ₹ 309,095,659 thousands) on account of shortfall in priority sector targets.

2. Includes Marked to Market adjustments on derivatives of ₹ 47,752,918 thousands (March 31, 2023: ₹ 62,901,600 thousands)

Schedules

forming a part of Standalone Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debts	3,649,981	792,648
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	3,835,376,775	2,871,564,016
IV. Liability on account of outstanding derivative contracts		
(a) Single currency Interest Rate Swap	2,614,541,640	2,601,271,973
(b) Others	336,619,315	341,007,859
V. Guarantees given on behalf on constituents		
(a) In India	589,956,581	444,062,267
(b) Outside India	-	219,497
VI. Acceptances, endorsement and other obligations	210,148,657	171,293,059
VII. Other items for which the bank is contingently liable		
(a) Purchase of securities pending settlement	958,430	1,752,006
(b) Capital commitment	4,037,417	3,891,446
(c) Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	310,144	203,755
(d) Foreign exchange contracts (Tom & Spot)	363,535,042	175,065,652
(e) Custody	2,509,542	2,730,617
(f) Bills Rediscounting	-	-
(g) Letter of Undertaking	7,928,725	-
(h) When Issued ('WI') securities	-	-
TOTAL	7,969,572,249	6,613,854,796

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2024 includes notional amount of ₹ 3,697,440,095 thousands and ₹ 1,517,307,402 thousands (March 31, 2023: ₹ 2,388,453,904 thousands and ₹ 1,335,920,303 thousands) guaranteed by CCIL representing 88.06% and 58.03% (March 31, 2023: 83.18% and 51.36%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.



Schedules

forming a part of Standalone Profit and Loss account

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills	210,874,867	178,224,008
II. Income on investments (including dividend)	49,582,584	35,645,993
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4,583,982	8,410,286
IV. Others	10,817,950	4,694,017
TOTAL	275,859,383	226,974,304

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	30,742,601	20,913,056
II. Profit/(Loss) on the sale of investments (net)	2,270,961	344,205
III. Profit/(Loss) on the revaluation of investments (net)	1,043,288	(34,831)
IV. Profit/(Loss) on sale of land, building and other assets	(20,624)	69,550
V. Profit/(Loss) on exchange transactions (net)	6,441,110	7,446,193
VI. Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-
VII. Miscellaneous income	10,665,652	8,112,396
TOTAL	51,142,988	36,850,569

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	135,648,191	101,087,174
II. Interest on Reserve Bank of India/inter-bank borrowings/Tier I and Tier II debt instruments	57,977,557	45,905,501
III. Others	1,287,434	805,912
TOTAL	194,913,182	147,798,587

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	37,742,776	33,627,003
II. Rent, taxes and lighting	5,017,809	4,351,407
III. Printing and stationery	677,971	457,752
IV. Advertisement and publicity	473,056	65,704
V. Depreciation on Bank's property	5,410,402	4,290,578
VI. Directors' fees, allowances and expenses	44,264	47,627
VII. Auditors' fees and expenses	47,278	42,996
VIII. Law charges	142,282	532,529
IX. Postage, telegrams, telephones, etc.	617,504	608,240
X. Repairs and maintenance	578,980	533,237
XI. Insurance	3,447,244	2,814,029
XII. Other expenditure	44,027,010	36,827,544
TOTAL	98,226,576	84,198,646

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for the year ended March 31, 2024

17. Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2024

17.1 Background¹

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. The financial accounting system of the Bank is centralized and, therefore, accounting returns are not required to be submitted by branches of the Bank.

17.2 Basis of preparation

The standalone 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 the Companies (Accounts) Rules, 2014 and the 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.

Significant accounting policies

17.4.1 Revenue recognition

Revenue is recognised 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 recognised in the profit and loss account on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognised as per the prudential norms of the RBI. Penal Charges for covenant breach is recognised upon certainty of its realisation.
- Dividend income is recognised when the right to receive payment is established.
- Commission on Guarantees and Letters of Credit ('LC') issued by the Bank is recognised as income over the period of the Guarantee and LC respectively.
- Income on non-coupon bearing discounted instruments is recognised over the tenure of the instrument on a straight line basis. In case of coupon bearing discounted instruments, discount income is recognised over the tenor of the instrument on constant yield basis.

¹GRI 2-1



Standalone Financial Statements

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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 recognised 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 realisable.
- Other fees and commission are accounted for as and when they became due and realisable.
- Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines.
- Appropriations of recoveries in standard advances (except for credit cards, which is based on agreement) are made in below order:
 - a) Interest
 - b) Principal
 - c) Charges, Costs, Commission etc.
- Appropriations of recoveries in NPAs (except for credit cards, which is based on agreement) are made in below order:
 - a) Principal
 - b) Interest
 - c) Charges, Costs, Commission etc.

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, as amended.

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.

Purchase and sale transactions in securities are accounted on settlement date.

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.

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c) Shifting among 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 versa (in exceptional circumstances), is done at the book value and with the approval of the Board of Directors/ Asset Liability Committee (ALCO) /Investment Committee. 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 recognised 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.

PTCs 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 recognised 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, PTCs (other than priority sector)



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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 Net Asset Value (NAV) shown by the AIF/VCF as per the financial statements. The VCF/AIF are valued based on the audited financial statements 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 recognised 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 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 realised 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 (SRs). In effect, the value of SRs is reflected in a manner that the value of SRs 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. SRs/ PTCs which are not redeemed as at the end of resolution period are fully provided in books of accounts.

Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/NAV declared by the MF. 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 recognised 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 CBBT price, 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.

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Masala bonds are valued using either CBBT price, 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

Cost of investments is computed based on the First-In-First-Out (FIFO) method. Profit/Loss on sale of Investments in the HTM category is recognised 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 recognised 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 recognised 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.



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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 loans where there has been delay in reporting the fraud to the RBI, 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 the 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/investments, 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.

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 Credit policy requirements. Indirect exposure is reckoned at 50% of the exposure in case of countries where the net

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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.

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, Mumbai interbank forward offered rate ('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. The 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 Accounting Standard ("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 Reserve 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.



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17.4.5 Earnings per share

The Bank reports basic and diluted earnings per equity share in accordance with 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 unrealised gains/losses are recognised 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.

The Bank follows the option premium accounting framework prescribed by FEDAI SPL- circular dated December 14, 2007. Premium on option transaction is recognised 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 recognised as realised gains/losses on options. Charges receivable/payable on cancellation/ termination of foreign exchange forward contracts and swaps are recognised 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.

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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.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

17.4.8 Non-banking assets

Non-banking assets (NBAs) acquired in satisfaction of claims are carried at lower of net book value and net realisable value, whichever is lower. Further, the Bank creates provision on these assets as per the extant RBI guidelines or specific RBI directions.

17.4.9 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, as 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 ¹	6 years	3 years
Computer software ¹	6 years	4 years
Vehicles ¹	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.	

¹ Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are 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.
- Profit on sale of premises by the Bank is appropriated to capital reserve, net of transfer to Statutory Reserve taxes, in accordance with RBI guidelines.
- Subsequent 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.



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17.4.10 Impairment of assets

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

17.4.11 Employee benefits

Employee Stock Option Scheme ('ESOS')¹

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 Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 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 recognised 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 recognised 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.

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 credit 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.

¹GRI 401-2

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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 recognised 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.

17.4.12 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight line basis over the lease term in accordance with AS-19, Leases.

17.4.13 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 recognised only to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets in case of unabsorbed depreciation/ losses are recognised only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits. Deferred tax assets are recognised 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.

17.4.14 Provisions and contingent assets/liabilities

In accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets, the Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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 recognised 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 recognise a contingent liability but discloses its existence in the financial statements.



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Contingent assets are not recognised 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 recognised in the period in which the change occurs.

17.4.15 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.

17.4.16 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

17.4.17 Debit and credit cards reward points

The Bank estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

17.4.18 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.

17.4.19 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

17.4.20 Segment information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI from time to time.

17.4.21 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 and the fee received for purchase or sale of the PSLCs is treated as an 'Expense' and the same is amortised on a straight line basis over the life of the certificate.

17.5 Capital

17.5.1 Equity Issue

During the year ended March 31, 2024, the Bank has issued 13,106,772 equity shares (Previous year: 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.

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During the previous year, the Bank had issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis.

Movement in Share Capital

(₹ in million)

Share Capital	As at March 31, 2024	As at March 31, 2023
Opening Share Capital	57,509.55	50,109.90
Addition due to exercise of Stock Option	26.21	7.34
Addition due to shares issued on a preferential basis	-	7,392.31
Closing Share Capital	57,535.76	57,509.55

The Bank has accreted ₹ 173.58 million during the year ended March 31, 2024 (Previous year: ₹ 43,488.79 million) towards share premium.

17.5.2 Share Warrants Subscription Money

During the previous year the Bank had 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.

On April 21, 2024, the Bank has allotted 1,279,880,909 equity shares of ₹ 2/- each pursuant to exercise of share warrants by one of the allottees upon receipt of balance 75% of the issue price of ₹ 14.82 per share warrant. Resultantly, the share capital and share premium will increase by ₹ 2,559.80 million and ₹ 16,408.10 million respectively.

17.5.3 Proposed Dividend

During the year ended March 31, 2024 and March 31, 2023 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, 2024 ₹ 262.64 million (Previous year: ₹ 31.67 million) was transferred to Capital Reserve. The amount for the previous year also includes profit on sale of immovable property net of taxes and transfer to statutory reserve of ₹ 31.49 million.

17.5.5 Investment Reserve

During the year ended March 31, 2024, the Bank has transferred ₹ 431.92 million (Previous year: ₹ 16.79 million) (net of applicable taxes and transfer to statutory reserve requirements) to Investment Reserve Account on account of provisions for depreciation on investments which has been credited to Profit and Loss Account.

17.5.6 Cash Flow Hedge Reserve

The Bank has not created or utilized any Cash Flow Hedge Reserve during the year ended March 31, 2024 (Previous year: Nil).



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17.5.7 Investment Fluctuation Reserve (IFR)

During the year ended March 31, 2024, the Bank has transferred ₹ 472.30 million (net of applicable taxes and transfer to statutory reserve requirements) to Investment Fluctuation Reserve (Previous year: ₹ 2,358.76 million).

17.5.8 Employee Stock Option Reserve

During the year ended March 31, 2024, the Bank has recognised ₹ 312.56 million (Previous year: ₹ 216.26 million) to Employee Stock Options Reserve on account of fair valuation of share-linked instruments. During the year ended March 31, 2024, on exercise of share-linked instruments, an amount of ₹ 27.84 million (Previous year: ₹ 6.52 million) is transferred from Employees Stock Options Reserve to share premium.

17.5.9 Transfer to Revenue and other Reserves

With respect to five accounts classified as fraud the Bank has debited ₹ 25.83 million from 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 two borrower accounts, unamortised fraud provision amounting to ₹ 1,279.58 million reversed in the current year).

17.5.10 Capital Adequacy Ratio

Capital Adequacy Ratio as per RBI guidelines as at March 31, 2024 and March 31, 2023 are given below:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	347,270.77	324,969.38
ii)	Additional Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	347,270.77	324,969.38
iv)	Tier 2 capital	90,646.47	114,265.27
v)	Total capital (Tier 1+Tier 2)	437,917.24	439,234.65
vi)	Total Risk Weighted Assets (RWAs)	2,851,610.85	2,450,927.75
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.2%	13.3%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.2%	13.3%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.2%	4.7%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.4%	17.9%
xi)	Leverage Ratio	7.0%	7.7%
xii)	Percentage of the shareholding of Government of India	Nil	Nil
xiii)	Amount of paid-up equity capital raised during the year	26.21	7,399.65
xiv)	Amount of non-equity Tier 1 capital raised during the year	Nil	Nil
xv)	Amount of Tier 2 capital raised during the year	Nil	Nil

17.5.11 Tier I and Tier II Capital

During the financial year ended March 31, 2024 and March 31, 2023, the Bank has not issued any Tier I or Tier II instruments. During the year ended March 31, 2024, the Bank has not repaid any Tier I or Tier II instruments (Previous Year ₹ 17,630 million). The Bank had repaid Additional Tier-I capital of ₹ 2,800.0 million during the year ended March 31, 2024, however the same was not considered for regulatory capital for the year ended March 31, 2023 basis guidance received from RBI.

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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 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, in so far 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, the RBI and the Central Government have 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.

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.



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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. The matter is tentatively scheduled for hearing on May 10, 2024.

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.

17.5.12 Provisions and Contingencies

The breakup of provisions of the Bank for the year ended March 31, 2024 and March 31, 2023 are given below:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for taxation [@]	2,488.99	2,455.10
Provision for non performing investments [#]	(5,425.77)	24,087.38
Provision for standard advances	(1,011.48)	(1,496.20)
Provision made/write off for non performing advances [#]	24,382.31	(169.46)
Other Provisions [*]	917.77	(223.26)
TOTAL	21,351.82	24,653.55

@ Details in note 17.5.42

* Other Provisions includes provision made against other assets.

Sale of stressed loans to JC Flowers Asset Reconstruction Private Limited

FY2024

During the year ended March 31, 2024, the Bank has transferred two stressed loans of gross value ₹ 6,903.20 million to ARCs. The net book value ('NBV') of these exposures in the Bank's books as on the date of assignment was ₹ 1,420.84 million and the final consideration received was ₹ 3,364.00 million under "100% upfront cash basis". The realized profit amounting ₹ 1,943.16 million due to cash recovery exceeding the net book value of stressed loans was credited to Profit and Loss Account during the year ended March 31, 2024.

FY2023

In the previous year, 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 on 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.

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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 realised 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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17.5.13 Investments

1) Composition of Investment Portfolio

Composition of Investment Portfolio as at March 31, 2024 is given below:

(₹ in million)

	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	
Held to Maturity											
Gross	647,714.14	-	-	15,950.00	2,490.00	296.63	666,450.77	-	-	-	666,450.77
Less: Provision for nonperforming investments (NPI)*	-	-	-	-	-	-	-	-	-	-	-
Net	647,714.14	-	-	15,950.00	2,490.00	296.63	666,450.77	-	-	-	666,450.77
Available for Sale											
Gross	114,594.05	-	1,411.83	34,801.69	-	58,216.89	209,024.46	7,806.35	-	861.56	8,667.91
Less: Provision for depreciation and NPI	(240.38)	-	(261.43)	(246.64)	-	(45,260.91)	(46,009.36)	(0.00)	-	(845.78)	(46,855.14)
Net	114,353.67	-	1,150.40	34,555.05	-	12,955.98	163,015.10	7,806.35	-	15.78	170,837.23
Held for Trading											
Gross	44,138.49	-	124.10	9,492.04	-	11,308.69	65,063.32	-	-	-	65,063.32
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
Net	44,138.49	-	124.10	9,492.04	-	11,308.69	65,063.32	-	-	-	65,063.32
Total Investments	806,446.68	-	1,535.93	60,243.73	2,490.00	69,822.21	940,538.55	7,806.35	-	861.56	949,206.46
Less: Provision for nonperforming investments	-	-	(245.83)	-	-	-	(245.83)	-	-	(854.90)	(1,100.73)
Less: Provision for depreciation and NPI#	(240.38)	-	(15.61)	(246.63)	-	(45,260.91)	(45,763.53)	-	-	9.12	(45,754.41)
Net	806,206.30	-	1,274.49	59,997.10	2,490.00	24,561.30	894,529.19	7,806.35	-	15.78	902,351.32

* Amount includes provision due to permanent diminution in value of Investments.

Provision on investments is considered based on investment classification as required by RBI Master Direction on Investments.

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Composition of Investment Portfolio as at March 31, 2023 is given below:

(₹ in million)

	Investments in India					Investments outside India				Total	
	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
Held to Maturity											
Gross	535,484.49	-	-	19,370.01	1,490.00	252.75	556,597.25	-	-	-	556,597.25
Less: Provision for nonperforming investments (NPI)*	-	-	-	-	-	-	-	-	-	-	-
Net	535,484.49	-	-	19,370.01	1,490.00	252.75	556,597.25	-	-	-	556,597.25
Available for Sale											
Gross	83,139.55	-	920.49	19,518.07	-	82,739.70	186,317.81	12,202.61	-	2,649.50	201,169.91
Less: Provision for depreciation and NPI	(598.74)	-	(455.66)	(741.83)	-	(44,489.81)	(46,286.03)	-	-	(356.02)	(46,642.05)
Net	82,540.81	-	464.83	18,776.24	-	38,249.89	140,031.77	12,202.61	-	2,293.48	154,527.86
Held for Trading											
Gross	33,556.71	-	38.29	11,743.07	-	12,419.80	57,757.87	-	-	-	57,757.87
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
Net	33,556.71	-	38.29	11,743.07	-	12,419.80	57,757.87	-	-	-	57,757.87
Total Investments	652,180.75	-	958.78	50,631.14	1,490.00	95,412.25	800,672.92	12,202.61	-	2,649.50	815,525.03
Less: Provision for nonperforming investments	-	-	(381.23)	-	-	-	(381.23)	-	-	(379.2)	(760.43)
Less: Provision for depreciation and NPI#	(598.74)	-	(74.42)	(741.83)	-	(44,489.81)	(45,904.80)	-	-	23.18	(45,881.62)
Net	651,582.01	-	503.12	49,889.31	1,490.00	50,922.44	754,386.89	12,202.61	-	2,293.48	768,882.97

* Amount includes provision due to permanent diminution in value of Investments.

Provision on Investments is considered based on investment classification as required by RBI Master Direction on Investments.



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II) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	46,642.05	65,959.61
b) Add: Provisions made during the year	475.70	30,589.93
c) Less: Write off / write back of excess provisions during the year	262.61	49,907.49
d) Closing balance	46,855.14	46,642.05
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	4,245.72	1,886.95
b) Add: Amount transferred during the year	472.30	2,358.76
c) Less: Drawdown	-	-
d) Closing balance	4,718.01	4,245.72
iii) Closing balance in IFR as a percentage of closing balance of net investments in AFS and HFT/Current category	2.00%	2.00%

III) Sales and transfers of securities to/from Held to Maturity (HTM) category

During the year ended March 31, 2024 and March 31, 2023, 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, 2024:

(₹ in million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at March 31, 2024
i) Securities sold under repos				
a) Government Securities	21,362.25	197,864.76	97,295.73	21,362.25
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Security purchased under reverse repo				
a) Government Securities	50.00	189,131.16	36,079.95	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

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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
i) Securities sold under repos				
a) Government Securities	65,022.52	166,901.96	89,437.86	109,462.52
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Security purchased under reverse repo				
a) Government Securities	4,250.00	351,423.05	129,355.97	56,007.40
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) and Marginal Standing Facility (MSF) 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, 2024 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	56.54	-	-	-	-
ii)	Financial Institutions	39,670.35	39,179.61	-	-	14.41
iii)	Banks	-	-	-	-	-
iv)	Private Corporates	33,336.71	31,775.03	50.00	58.10	2,341.97
v)	Subsidiaries/ Joint ventures	2,490.00	2,490.00	-	-	2,490.00
vi)	Others	67,206.17	59,368.42	-	993.63	59,368.42
vii)	Provision held towards depreciation**	(46,614.76)	-	-	-	-
Total		96,145.01	132,813.06	50.00	1,051.73	64,214.80

* Of the investments disclosed ₹ 64,164.80 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 ₹ 1,100.73 million held for non performing investments

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.



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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)	-	-	-	-
Total		117,300.96	144,388.29	50.00	57,465.47	85,286.20

^{*} 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.

ii. Non-Performing Non SLR Investments

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	1,716.50	52,675.20
Additions during the year	-	1,583.49
Reductions during the year	615.77	52,542.19
Closing Balance	1,100.73	1,716.50
Total Provision Held	1,100.73	760.43

17.5.15 Derivatives

Forward Rate Agreement/ Interest Rate Swap

The details of Forward Rate Agreements / Interest Rate Swaps outstanding as at March 31, 2024 and March 31, 2023 are given below:

(₹ in million)

Sr No	Items	As at March 31, 2024	As at March 31, 2023
i)	The notional principal of swap agreements	2,614,541.64	2,601,271.97
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements ¹	5,038.16	5,535.51
iii)	Collateral required by the bank upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps [Percentage Exposure to Banks] ¹	0.06%	5.69%
	[Percentage Exposure to PSUs] ¹	98.12%	93.44%
	[Percentage Exposure to Others] ¹	1.82%	0.87%
v)	The fair value of the swap book ²	100.15	(210.70)
-	INBMK	(236.24)	(373.25)
-	MIBOR	80.02	111.35
-	MOD M	(266.08)	(360.23)
-	FCY IRS	522.45	411.43

¹ Losses and Credit risk concentration are measured as net receivable under swap contracts

² Fair values represent mark-to-market including accrued interest.

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The nature and terms of the Rupee IRS as on March 31, 2024 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	2,313	681,006.40	MIBOR	Fixed Payable V/S Floating Receivable
Trading	98	68,640.31	MOD M	Fixed Payable V/S Floating Receivable
Trading	2,445	699,410.72	MIBOR	Fixed Receivable V/S Floating Payable
Trading	160	94,183.66	MOD M	Fixed Receivable V/S Floating Payable

The nature and terms of the FCY IRS as on March 31, 2024 are set out below:

(₹ in million)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	767	470,380.08	USD SOFR	Fixed Payable V/S Floating Receivable
Trading	754	423,607.46	USD SOFR	Fixed Receivable V/S Floating Payable
Trading	55	126,811.00	USD SOFR	Floating Payable V/S Fixed Receivable
Trading	1	208.51	USD FED	Floating Payable V/S Fixed Receivable
Trading	3	1,002.86	JPY TONAR	Fixed Payable V/S Floating Receivable
Trading	1	82.60	JPY TONAR	Fixed Receivable V/S Floating Payable
Trading	18	15,529.06	GBP SONIA	Fixed Payable V/S Floating Receivable
Trading	20	14,763.37	GBP SONIA	Fixed Receivable V/S Floating Payable
Trading	20	5,457.14	EURIBOR	Fixed Payable V/S Floating Receivable
Trading	52	3,771.50	EURIBOR	Fixed Receivable V/S Floating Payable
Trading	3	359.51	EUR ESTR	Fixed Payable V/S Floating Receivable
Trading	1	314.57	EUR ESTR	Fixed Receivable V/S Floating Payable
Trading	1	12.89	AUD BBSW	Fixed Receivable V/S Floating Payable

The nature and terms of the Rupee IRS as on 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	2,011	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	2,110	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



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The nature and terms of the FCY IRS as on 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

17.5.16 Net Overnight Open Position (NOOP)

NOOP as at March 31, 2024 is ₹ 701.47 million (Previous year: ₹ 2,080.18 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, 2024	For the year ended March 31, 2023
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	-	-
	-7.95% Government Securities 2032	-	-
	-7.57% Government Securities 2033	-	-
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, 2024 and March 31, 2023. There were Nil open contracts on the exchange at March 31, 2024 and 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:

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for the year ended March 31, 2024

Qualitative disclosures:

- 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 Asset Liability Management (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.



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Quantitative disclosure:

The details of derivative transactions as at March 31, 2024 and March 31, 2023 are given below:

(₹ in million)

Sr. No	Particulars	Currency derivatives ¹		Interest rate derivatives ⁴	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
i)	Derivatives (Notional Principal Amount)				
a)	For hedging	-	-	-	-
b)	For trading	336,619.31	341,007.86	2,614,541.64	2,601,271.97
ii)	Marked to market positions²				
a)	Asset (+)	9,754.01	12,757.37	28,765.50	30,114.81
b)	Liability (-)	12,081.69	15,859.23	28,665.35	25,803.02
iii)	Credit exposure³	23,756.75	32,999.99	116,053.13	91,120.61
iv)	Likely impact of one percentage change in interest rate (100*PV01) (Refer Note 1&2 below)				
a)	on hedging derivatives	-	-	-	-
b)	on trading derivatives	1,511.54	638.48	1,523.90	343.48
v)	Maximum and minimum of 100*PV01 observed during the year (Refer Note 1&2 below)				
a)	on hedging				
	Maximum	-	-	5.02	213.30
	Minimum	-	-	-	5.42
b)	on trading				
	Maximum	1,809.76	653.59	1,876.62	1,012.16
	Minimum	573.43	193.85	238.61	229.58

¹ Currency derivatives includes options purchased and sold, cross currency interest rate swaps and currency futures.

² Trading portfolio including accrued interest.

³ Mark to Market for credit exposure includes accrued interest.

⁴ Interest rate derivatives include Interest Rate Swaps, forward rate agreements and exchange traded interest rate derivatives.

Note:

- 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, 2024 amounted to ₹ 3,811,879.38 million (previous year: ₹ 2,856,151.13 million). For these trading contracts, as on March 31, 2024, marked to market position was asset of ₹ 9,484.53 million (Previous year: ₹ 16,621.96 million) and liability of ₹ 16,213.26 million (Previous Year: ₹ 18,478.52 million). The notional principal amount of foreign exchange contracts classified as hedging at March 31, 2024 amounted to ₹ 23,497.39 million (previous year: ₹ 15,412.88 million). Credit exposure on forward exchange contracts at March 31, 2024 was ₹ 101,064.49 million (Previous Year: ₹ 78,753.71 million) of which exposure on CCIL is ₹ 82,054.38 million (Previous Year: ₹ 56,878.04 million).

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Asset Quality

17.5.20 Non-Performing Advances

Classification of advances and provisions held for the period ended March 31, 2024

(₹ in million)

	Standard	Non-Performing				Total
	Total Standard Advances	Substandard	Doubtful	Loss	Total Non Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	2,016,113.53	22,267.67	11,487.86	10,190.19	43,945.72	2,060,059.25
Add: Additions during the year					53,340.37	
Less: Reductions during the year*					57,460.51	
Closing balance	2,264,697.41	19,404.03	11,463.32	8,958.24	39,825.59	2,304,523.00
*Reductions in Gross NPAs due to:						
i) Upgradation					19,036.98	
ii) Recoveries (excluding recoveries from upgraded accounts) \$					10,803.31	
iii) Technical/ Prudential Write-offs #					8,669.56	
iv) Write-offs other than those under (iii) above					18,950.66	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	17,744.82	10,081.94	7,092.69	10,190.19	27,364.82	45,109.63
Add: Fresh provisions made during the year					36,159.67	
Less: Excess provision reversed/ Write-off loans					36,996.21	
Closing balance of provisions held	16,733.34	10,215.91	7,379.97	8,932.40	26,528.28	43,261.62
Net NPAs						
Opening Balance		12,185.73	4,395.17	(0.00)	16,580.90	
Add: Fresh additions during the year					17,180.70	
Less: Reductions during the year					20,464.30	
Closing Balance		9,188.12	4,083.35	25.83 ^	13,297.31	13,297.31
Floating Provisions						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-
Technical write-offs and the recoveries made thereon#						
Opening balance of Technical/ Prudential written-off accounts						15,835.64
Add: Technical/ Prudential write-offs during the year						8,669.56
Less: Recoveries made from previously technical/ prudential written-off accounts during the year*						201.02
Closing balance						24,304.18

\$ Includes loans sold to ARC

Technical write-offs only includes corporate advances.

^ The amount pertains to unamortised fraud cases



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Classification of advances and provisions held for the year ended March 31, 2023

(₹ in million)

	Standard		Non-Performing			Total
	Total	Substandard	Doubtful	Loss	Total Non	
	Standard				Performing	
	Advances				Advances	
Gross Standard Advances and NPAs						
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	
Closing balance	2,016,113.53	22,267.67	11,487.86	10,190.19	43,945.72	2,060,059.25
*Reductions in Gross NPAs due to:						
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	
Provisions (excluding Floating Provisions)						
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	
Closing balance of provisions held	17,744.82	10,081.94	7,092.69	10,190.19	27,364.82	45,109.63
Net NPAs						
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	
Closing Balance		12,185.73	4,395.17	(0.00)	16,580.90	16,580.90
Floating Provisions						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-
Technical write-offs and the recoveries made thereon#						
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
Closing balance						15,835.64

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Ratios (in percentage terms)	As at March 31, 2024	As at March 31, 2023
Gross NPA to Gross Advances ^{\$}	1.73%	2.17%
Net NPA to Net Advances ^{\$}	0.58%	0.83%
Provision coverage ratio	66.61%	62.27%

^{\$} Excludes Nil amount (March 31, 2023: ₹ 30,689.28 million) of Interbank Reverse Repo having original tenors more than 14 days 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. DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022 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 5 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5 per cent of the reported 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 FY2023 and FY2022.

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:

FY2024

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	1	2,239.94
3	Resolution pursued under IBC	-	-
4	Assignment of debt / recovery proceedings	-	-

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	-	-



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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, 2024 and March 31, 2023 are given below:

(₹ in million)

Sector	As at March 31, 2024			As at March 31, 2023		
	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
I) Priority Sector						
a) Agriculture and Allied activities	228,396.65	1,538.67	0.67%	113,194.14	1,164.82	1.03%
b) Advances to industries sector eligible as priority sector lending	295,481.03	3,569.72	1.21%	264,702.83	2,519.69	0.95%
Basic Metal and Metal Products	37,322.65	120.12	0.32%	30,379.11	145.23	0.48%
Textile	35,367.54	791.05	2.24%	28,835.11	615.40	2.13%
Gems and Jewellery	30,455.56	263.14	0.86%	26,833.78	127.65	0.48%
c) Services	395,553.02	6,244.18	1.58%	335,870.42	5,339.12	1.59%
d) Personal Loans	-	-	-	-	-	-
e) Others	51,210.57	1,616.34	3.16%	49,193.91	838.92	1.71%
Sub-Total (I)	970,641.27	12,968.91	1.34%	762,961.30	9,862.55	1.29%
II) Non Priority Sector						
a) Agriculture and Allied activities	13,011.69	3.87	0.03%	8,718.58	1.80	0.02%
b) Industry	452,814.62	10,363.84	2.29%	475,284.29	16,998.46	3.58%
Infrastructure	76,722.06	8,793.13	11.46%	131,620.37	10,183.46	7.74%
Basic Metal and Metal Products	67,488.85	16.86	0.02%	57,074.28	19.51	0.03%
Gems and Jewellery	50,744.64	8.06	0.02%	34,790.87	51.34	0.15%
c) Services	252,639.47	6,033.03	2.39%	226,478.75	10,531.09	4.65%
NBFC's	69,187.84	13.76	0.02%	49,711.90	13.93	0.03%
Commercial Real Estate	46,465.63	5,120.06	11.02%	64,447.53	3,061.70	4.75%
Tourism, Hotel and Restaurants	38,281.67	0.61	0.00%	46,225.88	737.73	1.60%
d) Personal Loans	160,147.60	3,006.23	1.88%	146,561.33	1,656.23	1.13%
e) Others ^{\$}	455,268.35	7,449.72	1.64%	409,365.73	4,895.59	1.20%
Sub-Total (II)	1,333,881.73	26,856.68	2.01%	1,266,408.68	34,083.17	2.69%
Total (I+II)	2,304,523.00	39,825.59	1.73%	2,029,369.97	43,945.72	2.17%

^{\$} Excludes Nil (Previous year: ₹ 30,689.28 million) 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 ₹ 2,304,523.00 million (Previous year: ₹ 2,060,059.25 million).

17.5.24 Unsecured advances

The details of net Unsecured Advances as at March 31, 2024 and March 31, 2023 are given below:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Total unsecured advances of the bank	503,643.93	436,540.47
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	2,763.70	1,427.22
Estimated value of such intangible securities	18,622.80	1,427.22

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):

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For six months ended March 31, 2024

(₹ 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	495.50	24.90	21.80	264.50	184.30
Corporate Person's*	29,262.44	453.87	1,477.06	10,451.91	15,861.32
Of which, MSME's	1,338.73	92.59	1.20	527.27	772.87
Others	3,236.49	133.11	19.69	626.48	2,472.62
Total	32,994.43	611.88	1,518.54	11,342.89	18,518.16

* Includes Non-Fund Based Exposure amounting to ₹ 159.50 million as at the end of this half-year.

For six months ended March 31, 2023

(₹ 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, MSME'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
Total	45,170.96	2,834.96	202.45	8,053.09	33,989.33

* 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.

As at year ended March 31, 2024, the Bank has restructured advances amounting to ₹ 2,263.65 million (Previous year: ₹ 8,079.81 million) to Micro Small and Medium Enterprises.

Particulars	As at March 31, 2024	As at March 31, 2023
No. of accounts restructured	661	3,657
Amount (₹ in million)	2,263.65	8,079.81

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, 2024 and March 31, 2023.



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17.5.28 Transfer of Loan Exposure

Details of loans transferred / acquired during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of stressed loans transferred are given below:

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees
No of accounts	2	Nil
Aggregate principal outstanding of loans transferred (₹ in million)	6,903.20	Nil
Weighted average residual tenor of the loans transferred (in years)	3.6	Nil
Net book value of loans transferred (at the time of transfer) (₹ in million)	1,420.80	Nil
Aggregate consideration (₹ in million)	3,364.00	Nil
Additional consideration realized in respect of accounts transferred in earlier years (₹ in million)	-	Nil

(ii) On an aggregate basis, excess provisions to the extent of ₹ 1,943.20 million reversed to the profit and loss account during the year ended March 31, 2024 on account of stressed loans transferred to an ARC for a full consideration value received in cash that is higher than the net book values of the loans at the time of transfer.

(iii) The Bank has not acquired any non-performing assets during the year ended March 31, 2024.

(iv) The Bank has not transferred/acquired any Special Mention Accounts during the year ended March 31, 2024.

(v) Disclosure of distribution of the security receipts ('SRs') held by the Bank as on March 31, 2024 across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies:

Rating	Rating Agency	Recovery Rating	Value of outstanding SRs (net of provisions) (₹ in million)
RR1+	ICRA	More than 150%	552.43
RR1+	Infomerics	More than 150%	3,318.35
RR1	ICRA	More than 100% and upto 150%	1,451.43
RR1	India Ratings	More than 100% and upto 150%	2,089.95
RR1	Infomerics	More than 100% and upto 150%	3,101.23
RR2	Infomerics	More than 75% and upto 100%	2,330.25
Grand Total			12,843.64

(vi) Details of loans not in default acquired, loans transferred/acquired through assignment/novation during the year ended March 31, 2024 are given below:

Particulars	Loans Acquired ¹	Loans Sold ²
Aggregate amount (₹ in million)	35,881.41	4,971.08
Weighted average residual maturity (in years)	9.61	17.96
Weighted average holding period by originator (in years)	1.06	1.17
Retention of beneficial economic interest by the originator	20.6%	83.6%
Tangible security coverage	87.0%	117.0%

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1. Rating wise distribution of rated loans acquired through assignment/novation:

Rating	Rating Agency	Loans Acquired (₹ in million)
AA-	India Ratings	1,675.60
A-	CARE	2,000.00
BBB	CARE	1,500.00
BBB-	CARE	4,152.30
Grand Total		9,327.90

2. Loans sold are unrated.

During the year ended 31 March, 2023:

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) ¹	To permitted transferees
No of accounts	13,550	Nil
Aggregate principal outstanding of loans transferred ¹ (₹ in Million)	446,353	Nil
Weighted average residual tenor of the loans transferred ² (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 million.

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

\$ 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 as at March 31, 2024 was ₹ 16,733.34 million. Provision on standard advances as at March 31, 2023 was ₹ 17,744.82 million.

17.5.30 Business ratios

Particulars	As at March 31, 2024	As at March 31, 2023
i) Interest income as a percentage to working funds ¹	7.0%	6.8%
ii) Non-interest income as a percentage to working funds ¹	1.3%	1.2%
iii) Cost of Deposits	6.1%	5.2%
iv) Net Interest Margin	2.4%	2.6%
v) Operating profit as a percentage to working funds ¹	0.9%	1.0%
vi) Return on assets ¹	0.3%	0.2%
vii) Business (deposits + net advances) per employee ^{2,3} (₹ in million)	174.19	156.70
viii) Profit per employee ² (₹ in million)	0.45	0.28

¹ Working funds represents the average of total assets as reported in Return Form X to RBI under Section 27 of the Banking Regulation Act, 1949.

² For the purpose of computation of business per employee and profit per employee (deposits plus advances), interbank deposits have been excluded and average employees have been considered.

³ Excludes NIL (March 31, 2023: ₹ 30,689.28 million) 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 on March 31, 2024.

(₹ in million)

Maturity Buckets	Loans & Advances	Investment Securities	Deposits	Borrowings	FCY Assets	FCY Liabilities
1 Day	8,094.11	332,031.80	12,247.31	0.00	10,909.72	483.68
2-7 days	20,215.29	45,827.08	161,247.35	6,159.53	4,134.77	4,379.99
8-14 Days	33,235.42	27,801.11	67,090.86	703.07	11,320.36	1,299.42
15-30 Days	68,920.29	49,739.05	143,104.66	2,713.48	10,722.47	3,845.02
1-2 Months	74,469.45	20,144.33	120,982.31	10,301.83	12,356.42	8,821.67
2-3 Months	65,415.01	29,554.49	133,836.53	44,631.99	16,464.01	10,120.82
3-6 Months	122,778.11	41,451.52	237,743.02	86,146.11	9,676.09	70,196.49
6-12 Months	194,958.66	94,997.00	497,068.10	169,677.89	16,035.73	96,912.72
1-3 Years	1,143,005.87	78,039.44	428,432.22	327,000.30	21,426.36	41,635.45
3-5 Years	203,954.28	168,599.24	845,373.10	148,251.88	15,671.24	39,835.14
Over 5 Years	342,948.23	14,166.26	16,596.26	3,822.72	15,028.41	3,999.07
TOTAL	2,277,994.72	902,351.32	2,663,721.72	799,408.80	143,745.58	281,529.47

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 on 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
TOTAL	2,032,694.44	768,882.97	2,175,018.62	774,519.92	180,683.64	210,284.95

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.



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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, 2024	As at March 31, 2023
i)	Direct exposure		
a)	Residential Mortgages	228,734.45	185,905.18
	Of total Residential Mortgages- Individual housing loans eligible for inclusion in priority sector advances	47,339.04	41,625.97
	Fund based	228,680.75	185,636.97
	Non fund based	53.70	268.21
b)	Commercial Real Estate*	90,548.42	97,895.72
	Of total Commercial Real Estate - outstanding as advances	75,050.38	88,713.36
c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
i)	Residential	-	1,278.11
ii)	Commercial Real Estate	-	-
ii)	Indirect exposure		
	Fund based and non fund based exposures on National Housing Board and Housing Finance Companies	28,207.40	34,110.73
	Total Exposure to Real Estate Sector	347,490.26	319,189.74

*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, 2024	As at March 31, 2023
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,490.91	629.77
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;	7,674.24	9,898.23
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

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(₹ in million)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
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;	791.18	2,067.26
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;*	24,788.09	17,378.77
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;	7,085.13	4,057.14
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)	158.52	214.01
Total Exposure to Capital Market		41,988.06	34,245.18

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 (India) Limited'

* Out of the above ₹ 6,072.72 million (Previous years: ₹ 3,665.09 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, 2024, the net funded country exposure (direct) of the Bank as a percentage of total funded assets is less than 1% i.e. the highest country exposure stood at 0.44% for United States of America (for previous year March 31, 2023 United States of America was 1.09%). As the net funded country exposure (direct) to any country is less than 1%, the Bank is not required to provide any provision as per the RBI guidelines.

(₹ in million)

Risk Category	As at March 31, 2024		As at March 31, 2023	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	90,332.7	-	122,727.3	102.0
Low	30,868.2	-	36,273.6	-
Moderately Low	913.1	-	1,126.3	-
Moderate	-	-	-	-
Moderately High	5,477.5	-	5,581.4	-
High	-	-	-	-
Very High	-	-	-	-
TOTAL	127,591.5	-	165,708.6	102.0



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17.5.35 Details of factoring exposure

The factoring exposure of the Bank outstanding as on March 31, 2024 is ₹ 6,047.19 million (Previous year: ₹ 3,669.50 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, 2024 and March 31, 2023.

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Total deposits of the twenty largest depositors	305,184.87	260,840.86
Percentage of deposits of twenty largest depositors to total deposits of the bank	11.46%	11.99%

17.5.38 Concentration of Advances

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Total advances to the twenty largest borrowers	373,956.05	352,599.49
Percentage of advances to twenty largest borrowers to total advances of the bank	8.00%	9.09%

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, 2024	As at March 31, 2023
Total exposure to the twenty largest borrowers/customers	382,325.90	357,281.64
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	7.94%	8.84%

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, 2024	As at March 31, 2023
Total Exposure to the top twenty NPA accounts*	31,018.45	30,348.55
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs*	55.79%	63.55%

*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, 2024	For the year ended March 31, 2023
Net profit / (loss) after tax (₹)	12,510.80	7,174.09
Basic earnings per share (₹)	0.44	0.27
Diluted earnings per share (₹)	0.43	0.27
Nominal value per share (₹)	2	2
Reconciliation between weighted shares used in computation of basic and diluted earnings per share		
Basic weighted average no. of equity shares outstanding	28,759,039,213	26,159,996,163
Add: Effect of potential equity shares*	666,289,397	85,558,192
Diluted Weighted average no. of equity shares outstanding	29,425,328,611	26,245,554,354

*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.

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.



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17.5.42 Income Taxes

Provisions made for Income Tax during the year ended March 31, 2024 and March 31, 2023

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax	-	-
Deferred tax	3,780.63	2,430.53
(Write back)/Additional provision of Income Tax pertaining to previous years	(1,291.64)	24.56
TOTAL	2,488.99	2,455.10

17.5.43 Disclosure of penalties imposed by RBI

During the year ended March 31, 2024, following are the list of penalties imposed on the Bank by RBI.

Sl no.	Date	Topic	Detail	(₹ in million)
1.	8 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 2023-24, RBI had levied a total penalty of ₹ 80,000/- for non- replenishment of Bank's ATMs located at Kanpur, Delhi, Belapur, Jaipur, Guwahati, Chennai, and Chandigarh, for more than 10 hours.	0.08
2.	7 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 ₹ 75,000/- 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.	#
3.	7 instances	Irregularities observed in the soiled note remittance from currency chest	RBI had levied a total penalty of ₹ 27,550/- on account of the irregularities observed in the soiled note remittance received from YES Bank Currency Chest.	*
4.	1 instance	Non-compliance with the RBI guidelines on para 2 of part-II of the Master Direction on Direct Investment by Residents in JV/WOS abroad	RBI, has levied a penalty of ₹ 10,000 being non compliant on para 2 of part-II of the Master Direction on Direct Investment by Residents in JV/WOS abroad dated Jan 01, 2016 under Section 11(3) of FEMA, 1999.	0.01

Represent ₹ 75,000

* Represent ₹ 27,550

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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.

17.5.44 Fees/ Remuneration received from bancassurance

Bank has earned ₹ 6,917.51 million from bancassurance business during the year ended March 31, 2024 (previous year: ₹ 2,577.88 million). The following table sets forth, for the periods indicated, the break-up of income derived from bancassurance business:

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from selling life insurance policies	4,658.95	1,992.56
Income from selling non-life insurance policies	2,258.56	585.32
TOTAL	6,917.51	2,577.88

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.

(₹ in million)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total assets	149,686.45	171,384.35
Total NPAs	2,972.55	11,611.57
Total revenue	6,224.01	6,211.52

17.5.46 Repatriation of profits

The Bank has not repatriated any profit from overseas branch during the FY 2023-24 and FY 2022-23.



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17.5.47 Sponsored SPVs

The Bank has not sponsored any SPV during the FY 2023-24 and FY 2022-23 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, 2024 (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, 2024 and March 31, 2023

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening provision	643.67	529.45
Provision made during the year	444.68	464.65
Utilised/Write-back of provision	(435.18)	(350.43)
Closing provision	653.17	643.67

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

The details of Corporate Social Responsibility (CSR) activities carried out in line with the CSR Policy of the Bank are given below:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the Bank	Nil	Nil
(b) Amount approved by the Board to be spent	100.00	Nil
(c) Amount spent during the year on:		
(i) Construction / acquisition of any asset	Nil	Nil
(ii) On purposes other than (i) above	100.00	Nil
(d) Amount recognised as expense in the Profit and Loss account on CSR related activities	Nil	Nil
(e) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	Nil	Nil
(f) Details of related party transactions in relation to CSR expenditure as per AS 18:		
Of the amount spent as per (c) above, contribution made to YES Foundation for CSR activities	100.00	Nil
(g) (i) Movement in amount remained unspent:		
Opening balance	Nil	Nil
Add: Amount required to be spent during the year	Nil	Nil
Less: Amount spent during the year	Nil	Nil
Less: Amount deposited in Specified Fund of Sch. VII within 6 months	Nil	Nil
Closing balance	Nil	Nil
(ii) Movement in amount spent in excess of the requirements:		
Amount available for set off from preceding year	Nil	Nil
Add: Amount required to be spent during the year	Nil	Nil
Less: Amount spent during the year	100.00	Nil
Amount available for set off carried forward to the next year	100.00	Nil

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17.5.51 Staff retirement benefits

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Bank's financial statements as of March 31, 2024 and March 31, 2023 which is as per AS-15 Employee Benefits (Revised):

a) Changes in present value of Obligations:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Obligation at the beginning of the year	1,565.88	1,676.14
Interest Cost	112.98	97.99
Current Service Cost	260.67	308.60
Past Service Cost	-	-
Benefits Paid	(244.22)	(225.84)
Actuarial (gain)/loss on Obligation	49.38	(291.01)
Present Value of Obligation at the end of the year	1,744.69	1,565.88

b) Changes in the fair value of plan assets:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	1,439.20	1,314.80
Adjustment to Opening Balance	0.00	0.00
Expected return on plan assets	103.84	76.86
Contributions	-	300.33
Benefits paid	(244.22)	(225.84)
Actuarial gain/(loss) on plan assets	19.17	(26.95)
Fair value of plan assets at the end of the period	1,318.00	1,439.20

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, 2024 and March 31, 2023 comprises the following components:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Service Cost	260.67	308.60
Interest Cost	112.98	97.99
Expected Return on plan assets	(103.84)	(76.86)
Net Actuarial gain recognised in the year	30.21	(264.06)
Past Service Cost	-	-
Expenses recognised	300.02	65.66



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Experience History:

(₹ in million)

Particulars	For the year ended				
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
(Gain)/Loss on obligation due to change in assumption	6.50	(350.47)	(26.74)	-	(249.13)
Experience (Gain)/Loss on obligation	42.88	59.46	(126.45)	(137.06)	47.68
Actuarial Gain/(Loss) on plan assets	19.17	(26.95)	34.28	30.21	(26.95)

The assumptions used in accounting for the gratuity plan are set out below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate	7.10%	7.20%
Expected Return on Plan Assets	7.10%	7.20%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Future Salary Increases	9.00%	9.00%
Disability		
Attrition	26% - 41%	26% - 41%
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, 2024	For the year ended March 31, 2023
Fair value of plan assets at the end of the period	1,318.00	1,439.20
Present Value of Obligation at the end of the year	1,744.69	1,565.89
Plan asset / (liability)	(426.7)	(126.68)

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 (NPS)

The Bank has contributed ₹ 83.41 million for the year ended March 31, 2024 (Previous year: ₹ 53.47 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 ₹ 1,323.45 million for the year ended March 31, 2024 (March 31, 2023: ₹ 1,187.74 million) towards contribution to the provident fund.

Compensated absences

The Bank has recognised ₹ 94.02 million in the profit and loss account for the year ended March 31, 2024 (March 31, 2023: ₹ 47.31 million) towards compensated absences.

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17.5.52 Segment Reporting

Pursuant to the guidelines issued by RBI on AS-17 (Segment Reporting) - Enhancement of Disclosures dated April 18, 2007, effective from period ending March 31, 2008, the following business segments have been reported.

- **Treasury:** Includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilization from other banks and financial institutions.
- **Corporate / Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers. 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. 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, 2024 with Comparative presentation of segmental results of sub-segment 'Digital Banking' for the year ended March 31, 2023.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2024 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking#	Other Banking Operations	Total
Segment Revenue	75,523.94	101,709.47	141,532.91	9,524.59	328,290.91
Add/(Less): Inter-segment Revenue net of inter- segment					(1,288.54)
Result	13,628.35	13,779.93	(9,725.75)	5,845.43	23,527.95
Unallocated Expenses					(8,528.17)
Operating Profit					14,999.78
Income Taxes					2,488.99
Extra-ordinary Profit/(Loss)					-
Net Profit					12,510.80
Other Information:					
Segment assets	1,601,570.71	1,072,732.32	1,264,924.91	3,099.96	3,942,327.90
Unallocated assets					112,602.00
Total assets					4,054,929.90
Segment liabilities	875,104.87	1,198,220.69	1,553,644.50	838.59	3,627,808.65
Unallocated liabilities					427,121.23
Total liabilities					4,054,929.90

Other banking operations includes income from bancassurance business ₹ 6,917.51 million during year ended March 31, 2024.

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, 2024
Segment Revenue	2.44
Result	(4.74)
Segment assets	14.60
Segment liabilities	24.08



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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
Result	(29,492.81)	34,889.77	18,111.35	1,673.35	25,181.65
Unallocated Expenses					(15,552.47)
Operating Profit					9,629.18
Income Taxes					2,455.10
Extra-ordinary Profit/(Loss)					-
Net Profit					7,174.09
Other Information:					
Segment assets	1,381,993.23	951,529.95	1,103,801.47	830.44	3,438,155.09
Unallocated assets					109,706.22
Total assets					3,547,861.31
Segment liabilities	863,633.21	1,120,013.59	1,150,552.53	559.49	3,134,758.82
Unallocated liabilities					413,102.49
Total liabilities					3,547,861.31

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.

(₹ in million)

Digital Banking (a sub-segment of Retail banking segment)	For the year ended March 31, 2024
Segment Revenue	0.08
Result	(1.63)
Segment assets	4.71
Segment liabilities	2.02

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.

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17.5.53 Deferred Tax Asset

The deferred tax asset of ₹ 85,630.92 million as at March 31, 2024 and ₹ 89,411.54 million as at March 31, 2023, is included under other assets.

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, 2024	As at March 31, 2023
Depreciation	218.10	363.15
Provision for gratuity and unutilized leave	406.32	307.15
Provision for Non-Performing Assets	7,094.56	7,576.97
Amortization of premium on HTM securities	19.71	77.17
Business Loss	60,701.36	63,628.05
Unabsorbed Depreciation	1,988.55	2,284.44
Provision for standard advances	4,164.13	4,418.70
Other Provisions	11,038.18	10,755.90
Total	85,630.92	89,411.54

During the year ended March 31, 2024, the Bank has reported net profit of ₹ 12,510.80 million. The Bank continues to carry the aforesaid deferred tax asset in its Balance Sheet in terms of Accounting Standard 22 (Accounting for Taxes on Income). The realizability of the deferred tax assets has been assessed by the management of the Bank. 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, enterprise over which the Bank has control by way of controlling the composition their governing body, key management personnel, the relatives of key management personnel and investing company.

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 period ended March 31, 2024 are disclosed below:

Subsidiary

- YES Securities (India) Limited

Enterprise over which the Bank has control by way of controlling the composition of their corresponding governing body

- YES Foundation

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
Relatives - Neelam Agarwal, Leelawati Agarwal
- Mr. Rajan Pental, Executive Director
Relatives - Anju Pental, Aryan Pental, Shreya Pental, Jyoti Walia, Sangeeta Rajpal



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Investing Company

- State Bank of India Limited (SBI).
- As per Accounting Standard 18 - Related Party Disclosure, SBI is an investing company for YES Bank Limited and YES Bank Limited is an associate of 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, 2024:

(₹ in million)

Items / Related Party Category	Investing party	Maximum Balance during the year	Subsidiary	Maximum Balance during the year	Enterprise over which the Bank has control by way of controlling the composition of their corresponding governing body	Maximum Balance during the year	KMP / Whole time directors / Individual having significant influence	Maximum Balance during the year	Relatives of KMP / Whole time directors / Individual having significant influence	Maximum Balance during the year
Borrowings	#	#	-	-	-	-	-	-	-	-
Deposits [^]	#	#	#	#	#	#	3.33*	20.95 [@]	0.54*	0.89 [@]
Placement of Deposits	-	-	-	-	-	-	-	-	-	-
Advances (Overdraft)	#	#	#	#	-	-	0.00*	0.00	0.07*	0.19 [@]
Investment	-	-	#	#	-	-	-	-	-	-
Non-Funded Commitments	#	#	#	#	-	-	-	-	-	-
Interest received	#	-	#	-	-	-	-	-	0.01	-
Interest paid	#	-	#	-	#	-	0.34	-	0.03	-
Reimbursement of Cost incurred	#	-	#	-	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	#	#	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	#**	-	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-	-	-	-	-
Remuneration paid	-	-	-	-	-	-	78.87	-	-	-
Donation / Contributions made	-	-	-	-	#	-	-	-	-	-

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.

[^] In accordance with the proviso to Regulation 2(1) (zc) of SEBI LODR acceptance of fixed deposits from related parties (on uniformly applicable terms) has been exempted and acceptance of fixed deposits will not be regarded as a related party transaction.

* Represents balance as on March 31, 2024

@Represents the maximum month end balance maintained upto year ended March 31, 2024.

** Pursuant to the approval in the Board Meeting held on January 27, 2024, the Bank entered into a business transfer agreement to transfer Investment Banking and Merchant Banking Business from its wholly owned subsidiary company YES Securities (India) Limited to the Bank. Please refer point number 17.5.77 for detailed discussion.

1. Values of the related party transactions during the reporting period and their balances containing amounts below ₹ 50,000 are denoted as '0.00'.

2. The Bank has outstanding letter of Comforts issued in favour of Yes Securities (India) Limited amounting to ₹ 2,600.00 million.

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The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2023:

(₹ in million)

Items / Related Party Category	Investing party	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 ^	-	-	-	-

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 on 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 contributed 'Nil' to YES Foundation. YES Foundation is public charitable trust which undertakes social charitable activities.



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17.5.55 Operating Leases

Lease payments recognised in the profit and loss account for the year ended March 31, 2024 was ₹ 4,300.20 million (Previous year: ₹ 3,693.83 million). During the year ended March 31, 2024, the Bank paid minimum lease payment ₹ 4,051.11 million (Previous year: ₹ 3,394.50 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, 2024	As at March 31, 2023
Not later than one year	3,906.18	3,409.51
Later than one year and not later than five years	13,425.45	11,888.69
Later than five years	13,568.32	12,665.99
Total	30,899.95	27,964.19

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 ESOS disclosures

Effective September 10, 2020 nomenclature of YBL Employee Stock Option Scheme, 2018 (YBL ESOS – 2018) changed to YBL Employee Stock Option Scheme, 2020 (YBL ESOS 2020) and all the plans under the said scheme continue to be valid 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). 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 and Sweat Equity) Regulations, 2021 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 and PESOP II -2010 (the old plans) had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, options already granted and exercisable under the old plans are valid in accordance with the terms & conditions mentioned therein.

Options under all the above-mentioned plans are granted for a term of 10 years (inclusive of the vesting period as mentioned below) and are settled with equity shares to the beneficiary upon exercise:

JESOP / PESOP	ESOP Scheme	Vesting period
JESOP	JESOP V and JESOP 2018	50% after 3 years and balance after 5 years from the grant date
PESOP	PESOP II – 2010 and PESOP 2018	30%, 30% & 40% each year, from end of 3rd 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

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Summary of movement of options granted under the Bank's stock option plans is set out below:

As of March 31, 2024:

	Number of Option		Weighted average exercise price	
	PESOP	JESOP	PESOP	JESOP
Outstanding at the beginning of the year	215,329,609	7,595,897	25.08	134.90
Granted during the year	131,126,099	2,350,000	16.14	19.05
Exercised during the year	13,106,772	-	13.12	-
Forfeited / lapsed during the year	51,717,126	1,695,850	22.53	120.67
Outstanding at the end of the year	281,631,810	8,250,047	21.94	104.83
Exercisable at the end of the year	64,266,236	4,160,047	19.33	140.93

As of March 31, 2023:

	Number of Option		Weighted average exercise price	
	PESOP	JESOP	PESOP	JESOP
Outstanding at the beginning of the year	110,581,230	8,179,527	40.35	161.28
Granted during the year	132,190,469	980,000	13.59	14.60
Exercised during the year	3,666,651	-	12.98	-
Forfeited / lapsed during the year	23,775,439	1,563,630	34.08	197.47
Outstanding at the end of the year	215,329,609	7,595,897	25.08	134.90
Exercisable at the end of the year	33,799,652	5,328,397	60.92	174.47

The options were exercised on a regular basis throughout the period. Weighted average share price of the Bank's publicly traded equity shares as per BSE Ltd price volume data during the year ended March 31, 2024 was ₹ 19.3 per share (Previous year: ₹ 15.97 per share)

Range of exercise price wise summary of options outstanding at March 31, 2024:

Range of exercise price	Number of options outstanding		Weighted average remaining contractual life (in years)	
	PESOP	JESOP	PESOP	JESOP
Less than ₹ 25	271,427,230	3,800,000	8.09	4.14
₹ 25 to ₹ 100	-	577,900	-	0.37
₹ 100 to ₹ 250	4,385,330	3,059,647	0.02	0.67
₹ 250 to ₹ 400	5,819,250	812,500	0.09	0.32

Range of exercise price wise summary of options outstanding at March 31, 2023:

Range of exercise price	Number of options outstanding		Weighted average remaining contractual life (in years)	
	PESOP	JESOP	PESOP	JESOP
Less than ₹ 25	202,153,656	2,037,500	8.30	2.27
₹ 25 to ₹ 100	1,449,350	888,500	0.00	0.50
₹ 100 to ₹ 250	4,823,330	3,607,397	0.05	1.40
₹ 250 to ₹ 400	6,903,273	1,062,500	0.17	0.62



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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 Bank has adopted the fair value method based on Black- Scholes Pricing Model, for pricing and accounting of options. The fair value of the stock-based compensation is estimated on the grant date and is recognised under employee cost over the vesting period. As a result, 'Employees cost' for the year ended March 31, 2024 is ₹ 312.56 million (Previous year: ₹ 216.26 million). The weighted average fair value of options granted during the year ended March 31, 2024 was ₹ 4.07 per option (Previous year: ₹ 3.73 per option).

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 ₹ 220.82 million (Previous year: lower by ₹ 229.19 million). The basic earnings per share would have been ₹ 0.43 per share (Previous year: ₹ 0.27 per share) instead of ₹ 0.44 per share (Previous year: ₹ 0.27 per share) and diluted earnings per share would have been ₹ 0.42 per share (Previous year: ₹ 0.26 per share) per share instead of ₹ 0.43 per share (Previous year: ₹ 0.27 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 inputs and assumptions have been used for computation of the fair value based on method of Black-Scholes Pricing Model for the options granted during the year:

Inputs	For the year ended March 31, 2024	For the year ended March 31, 2023
Risk free interest rate	7.04%-7.42%	6.53%-7.57%
Expected life	1.5 yrs-7.5 yrs	1.5 yrs-7.5 yrs
Expected volatility	24.61%-47.07%	24.18%-49.38%
Expected dividend yield	1.10%	1.10%

Risk free interest rates over the expected life of the option are based on yield of the government securities in effect at the time of the grant. The expected life of an option is estimated based on the vesting period plus expected exercise period after vesting based on exercise behaviour of the employees who receive the option. Expected exercise behaviour is estimated based on the historical stock option exercise pattern of the Bank. Expected volatility during the estimated expected life of the option is based on historical volatility determined based on observed market prices of the Bank's publicly traded equity shares. Expected dividend yield during the estimated expected life of the option are based on industry average.

Other Disclosures

17.5.57 Disclosure on Remuneration

(a) Composition of the Nomination and Remuneration Committee (N&RC) of the Bank as on March 31, 2024 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

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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, retinals, sitting fee, etc.;
- 15) To review the Bank's overall compensation structure and related policies with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other banks and the industry in general;
- 16) To ensure the following while formulating the policy on the below matters:



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- (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.
- 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 Instruments. 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.

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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 organisational 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 behaviours aligned with organisational 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 Programme 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 organisation.
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 organisational or business unit or individual level prior to the payment of the deferred portion.

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.



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(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 management employees, 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 3 meetings of the N&RC held during the year ended March 31, 2024 (Previous year: 11 meetings). The Bank had paid a remuneration of ₹ 1.00 million to the members of the N&RC for attending the meetings of the N&RC (Previous year: ₹ 2.45 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, 2024	No of employees	For the year ended March 31, 2023
h. (i) Number of employees having received a variable remuneration award during the financial year.	15	-	14	-
(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	12	276.08	14	252.00
(ii) Total amount of deferred remuneration paid out in the financial year.	14	72.19	13	87.00
j. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred				
Total remuneration award	17*	496.69	17 *	489.17
Of which Fixed Component	17	295.98	17	267.66
Of which Variable Component	15	200.71	14	221.51
Deferred	14	147.61	14	166.13
Non-deferred	15	53.10	14	55.38

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(₹ in million except No. of employees)

	No of employees	For the year ended March 31, 2024	No of employees	For the year ended March 31, 2023
k. (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	12	276.08	14	252.00
(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	-	-	-	-
(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	-	-	-	-
l. Number of Material Key Risk Takers identified	12	-	15	-
m. (i) Number of cases where malus has been exercised.	-	-	-	-
(ii) Number of cases where clawback has been exercised.	-	-	-	-
(iii) Number of cases where both malus and clawback have been exercised.	-	-	-	-
n. The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Mean Pay for the Bank – 1.30# Deviation of Pay of WTDs from mean pay for the Bank – MD & CEO - 29:1 ED - 32:1	-	-	Mean Pay for the Bank – 1.24# Deviation of Pay of WTDs from mean pay for the Bank – MD & CEO - 28:1 ED^ – 5:1

Note:

1. Compensation for MD & CEO and ED is as approved by the RBI and paid by the Bank to the MD & CEO and ED. Compensation for other material risk takers is as approved by the Bank.

2. For the Financial Year ended March 31, 2024, 26,121,699 ESOPs were issued to 12 material risk takers, ED and MD & CEO (previous year: 30,343,942 ESOPs to 13 material risk takers and MD & CEO).

This computation is based on Annual Fixed Pay and Bonus Paid.

* Payout to material risk takers who have exited during FY24 has been included

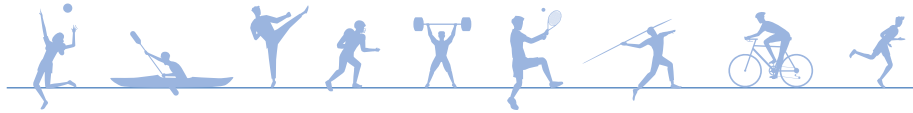
^Executive Director was appointed from February 2, 2023 and his compensation for period February 2, 2023 to March 31, 2023 has been considered

17.5.58 Movement in Floating Provisions

The Bank has not created or utilized any floating provisions during the year ended March 31, 2024 (Previous year: Nil).

17.5.59 Drawdown from Reserves:

During the year ended March 31, 2024, the Bank has not drawn down any reserve. (Previous year: Nil).



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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 FY2023-24.

Quantitative Disclosure:

Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023			Quarter ended September 30, 2023			Quarter ended June 30, 2023		
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Value	Total Unweighted Value	Total Weighted Value	Total Value	Total Unweighted Value	Total Weighted Value	Total Value
High Quality Liquid Assets											
1 Total High Quality Liquid Assets (HQLA)					598,656.78			642,406.02			589,541.70
Cash Outflows											
2 Retail deposits and deposits from small business customers, of which:	1,059,482.65		1,019,198.06		98,350.60	977,253.27		94,365.75	941,763.70		90,931.73
(i) Stable deposits	71,760.97	3,588.05	71,384.07	3,569.20		67,191.61	3,359.58		64,892.84	3,244.64	
(ii) Less stable deposits	987,721.68	98,772.17	947,813.99	94,781.40		910,061.66	91,006.17		876,870.86	87,687.09	
3 Unsecured wholesale funding, of which:	1,036,594.25	499,092.76	939,783.63	444,882.77		930,307.47	446,383.06		851,800.31	393,742.66	
(i) Operational deposits (all counterparties)	115,274.37	28,818.59	110,910.07	27,727.52		91,388.28	22,847.07		90,190.87	22,547.72	
(ii) Non-operational deposits (all counterparties)	921,319.88	470,274.17	828,873.56	417,155.26		838,919.19	423,535.99		761,609.44	371,194.94	
(iii) Unsecured debt	-	-	-	-		-	-		-	-	
4 Secured wholesale funding	70,205.53	-	28,242.92	-		22,873.72	-		24,660.20	-	
5 Additional requirements, of which	27,515.02	26,509.60	21,691.03	20,492.29		32,952.21	31,438.86		34,743.96	30,982.18	
(i) Outflows related to derivative exposures and other collateral requirements	26,397.89	26,397.89	20,359.10	20,359.10		31,270.71	31,270.71		30,564.20	30,564.20	
(ii) Outflows related to loss of funding on debt products	-	-	-	-		-	-		-	-	
(iii) Credit and liquidity facilities	1,117.12	111.71	1,331.93	133.19		1,681.51	168.15		4,179.76	417.98	
6 Other contractual funding obligations	62,295.09	62,295.09	61,211.31	61,211.31		89,115.76	89,115.76		61,486.81	61,486.81	
7 Other contingent funding obligations	1,612,443.91	61,948.37	1,518,397.77	58,286.63		1,407,637.12	53,812.71		1,304,349.95	49,752.71	
8 Total Cash Outflows	3,868,684.45	752,206.04	3,588,524.72	683,223.61		3,460,139.55	715,116.14		3,218,804.93	626,896.09	
Cash Inflows											
9 Secured lending (e.g. reverse repos)	3,558.81	-	9,447.87	-		87,091.25	-		29,576.22	-	
10 Inflows from fully performing exposures	250,527.77	145,266.31	232,148.07	134,427.43		207,093.38	121,796.35		192,337.94	113,411.46	
11 Other cash inflows	55,861.98	55,861.98	48,693.04	48,693.04		66,645.61	66,645.61		54,477.72	54,477.72	
12 Total Cash Inflows	309,948.58	201,128.28	290,288.98	183,120.47		360,830.24	188,441.96		276,391.88	167,889.18	
13 TOTAL HQLA		644,541.68		598,656.78			642,406.02			589,541.70	
14 Total Net Cash Outflows		551,077.76		500,103.14			526,674.18			459,006.91	
15 Liquidity Coverage Ratio (%)		116.96%		119.71%			121.97%			128.44%	

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The following table sets forth, the daily average of unweighted and weighted values for all the quarters in FY2022-23.

Particulars	(₹ in million)										
	Quarter ended March 31, 2023			Quarter ended December 31, 2022			Quarter ended September 30, 2022			Quarter ended June 30, 2022	
	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
High Quality Liquid Assets											
1 Total High Quality Liquid Assets (HQLA)			557,546.55			549,861.58			564,469.98		544,477.36
Cash Outflows											
2 Retail deposits and deposits from small business customers, of which:	910,722.32	87,918.82	872,104.17	84,190.80	802,915.46	77,303.00	750,771.64	72,182.43			
(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:	869,987.60	394,188.13	868,830.66	404,372.93	847,377.67	397,767.57	815,900.61	387,935.19			
(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	-			
5 Additional requirements, of which	42,246.11	32,430.57	33,714.19	28,957.38	23,769.64	21,111.77	17,613.57	15,676.92			
(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			
8 Total Cash Outflows	3,126,493.13	639,410.79	3,034,232.48	635,612.99	2,838,761.75	610,770.72	2,704,161.08	558,249.47			
Cash Inflows											
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			
12 Total Cash Inflows	273,604.21	175,254.26	279,416.61	154,033.31	310,574.07	126,674.41	355,132.81	102,440.36			
13 TOTAL HQLA		557,546.55		549,861.58		564,469.98		544,477.36			
14 Total Net Cash Outflows		464,156.53		481,579.68		484,096.31		455,809.11			
15 Liquidity Coverage Ratio (%)		120.12%		114.18%		116.60%		119.45%			

For all the quarters in the current and previous year, the average weighted and unweighted amounts are calculated taking simple average of



Standalone Financial Statements

for the year ended March 31, 2024

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, 2024 is 116.96% (for the quarter ending March 31, 2023 was 120.12%), which is well above the prudential requirement of 100%.

Standalone Financial Statements

for the year ended March 31, 2024

17.5.61 Net Stable Funding Ratio (NSFR) Quantitative disclosure

(₹ in million)

Particulars	As at March 31, 2024				As at December 31, 2023		
	Unweighted value by residual maturity				Unweighted value by residual maturity		
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	No < 6 months maturity*	6 months to < 1yr	≥ 1yr
ASF Item				Weighted value			Weighted value
1 Capital: (2+3)	432,099.28	-	-	571,511.28	417,885.60	-	557,297.60
2 Regulatory capital	432,099.28	-	-	507,323.68	417,885.60	-	504,710.00
3 Other capital instruments	-	-	-	64,187.60	-	-	52,587.60
4 Retail deposits and deposits from small business customers: (5+6)	477,585.18	675,988.68	14,128.17	1,072,580.91	439,576.34	181,536.57	1,023,844.80
5 Stable deposits	-	-	-	-	-	-	-
6 Less stable deposits *	477,585.18	675,988.68	14,128.17	1,072,580.91	439,576.34	181,536.57	1,023,844.80
7 Wholesale funding: (8+9)	310,046.10	749,866.85	94,693.68	614,904.42	256,742.42	227,819.73	545,158.86
8 Operational deposits	180,932.76	-	-	90,466.38	130,036.36	-	65,018.18
9 Other wholesale funding	129,113.34	749,866.85	94,693.68	524,438.04	126,706.06	227,819.73	480,140.68
10 Other liabilities: (11+12)	232,354.25	322,990.94	206,744.82	497,674.29	304,174.31	270,036.79	437,912.35
11 NSFR derivative liabilities	-	144.39	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	232,354.25	322,846.55	206,744.82	497,674.29	304,174.31	270,036.79	437,912.35
13 Total ASF (1+4+7+10)				2,756,670.90			2,564,213.61
RSF Item							
14 Total NSFR high-quality liquid assets (HQLA)				43,261.86			38,232.00
15 Deposits held at other financial institutions for operational purposes	2,686.30	-	-	1,343.15	4,080.03	-	2,040.02
16 Performing loans and securities: (17+18+19+21+23)	-	647,711.37	324,309.96	1,594,644.82	-	608,926.09	1,518,753.75
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	-	47,202.81	26,211.07	106,633.46	-	38,287.69	79,170.15



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for the year ended March 31, 2024

Particulars	As at March 31, 2024				As at December 31, 2023		
	Unweighted value by residual maturity			Weighted value	Unweighted value by residual maturity		Weighted value
	No maturity*	< 6 months	6 months to < 1yr		No < 6 months maturity*	6 months to < 1yr	
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:	-	540,543.48	280,939.88	1,078,405.04	1,307,400.02	-	1,267,386.14
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	97,191.22	26,453.27	99,929.72	126,776.56	-	118,868.43
21 Performing residential mortgages, of which:	-	3,901.55	2,412.19	180,667.72	135,576.92	-	129,250.16
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2,008.24	1,132.69	105,737.54	70,299.86	-	69,332.88
23 Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	56,063.53	14,746.82	11,328.53	45,034.43	-	42,947.30
24 Other assets: (sum of rows 25 to 29)	159,422.65	73,313.58	105,605.50	380,001.28	530,598.12	161,153.43	522,990.51
25 Physical traded commodities, including gold	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	27,628.72	-	-	23,484.41	26,985.73	22,937.87
27 NSFR derivative assets	-	-	-	-	-	2,817.08	2,817.08
28 NSFR derivative liabilities before deduction of variation margin posted	-	2,694.86	-	-	2,694.86	-	2,732.82
29 All other assets not included in the above categories	159,422.65	42,990.00	105,605.50	380,001.28	504,418.85	161,153.43	494,502.74
30 Off-balance sheet items	974,672.62	452,422.01	189,834.88	306,929.06	77,209.21	673,820.86	59,670.48
31 Total RSF	-	-	-	-	2,247,057.16	148,672.41	2,141,686.76
32 Net Stable Funding Ratio (%)	-	-	-	-	122.68	-	119.73

*for the purpose of NSFR computation, all deposits from Retail and Small Business customer have been considered as "less stable" on a conservative basis.

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for the year ended March 31, 2024

₹ in million

Particulars	As at September 30, 2023				As at June 30, 2023			
	Unweighted value by residual maturity		Weighted value	Unweighted value by residual maturity		Weighted value		
	No maturity* to < 1yr	< 6 months		No < 6 months maturity* to < 1yr	6 months to < 1yr			
ASF Item								
1 Capital: (2+3)	409,348.63	0.00	147,694.40	557,043.00	415,673.45	0.00	140,502.00	
2 Regulatory capital	409,348.63	0.00	103,106.80	512,455.40	415,673.45	0.00	103,106.80	
3 Other capital instruments	0.00	0.00	44,587.60	44,587.60	0.00	0.00	37,395.20	
4 Retail deposits and deposits from small business customers: (5+6)	409,773.73	481,054.49	172,083.59	977,493.30	389,937.90	470,422.08	157,725.65	
5 Stable deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6 Less stable deposits *	409,773.73	481,054.49	172,083.59	977,493.30	389,937.90	470,422.08	157,725.65	
7 Wholesale funding: (8+9)	248,719.80	507,910.79	223,029.90	519,635.60	270,390.72	403,251.42	247,377.78	
8 Operational deposits	118,841.94	0.00	0.00	59,421.00	112,330.50	0.00	0.00	
9 Other wholesale funding	129,877.86	507,910.79	223,029.90	460,214.60	158,060.22	403,251.42	247,377.78	
10 Other liabilities: (11+12)	326,713.05	0.00	230,289.06	282,363.60	430,990.58	3,429.86	281,726.23	
11 NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12 All other liabilities and equity not included in the above categories	326,713.05	0.00	230,289.06	282,363.60	430,990.58	0.00	281,726.23	
13 Total ASF (1+4+7+10)	2,451,680.00				2,414,825.00			
RSF Item								
14 Total NSFR high-quality liquid assets (HQLA)	35,960.10				59,899.90			
15 Deposits held at other financial institutions for operational purposes	4,695.89	0.00	0.00	2,347.95	4,004.02	0.00	2,002.01	
16 Performing loans and securities: (17+18+19+21+23)	0.00	643,668.47	159,198.61	1,371,565.05	0.00	552,422.51	1,390,916.85	
17 Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	103,889.77	4,751.81	61,736.78	0.00	43,265.85	41,368.50	
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:	0.00	482,200.26	145,687.94	1,093,776.48	0.00	459,801.67	1,113,135.38	

1,219,909.19



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for the year ended March 31, 2024

Particulars	As at September 30, 2023				As at June 30, 2023			
	Unweighted value by residual maturity		Weighted value	No < 6 months to < 1yr maturity*	Unweighted value by residual maturity		Weighted value	No < 6 months to < 1yr maturity*
	No maturity*	< 6 months			No maturity*	< 6 months		
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	63,440.84	8,509.99	90,143.36	94,568.60	0.00	61,680.15	3,178.34
21 Performing residential mortgages, of which:	0.00	690.23	451.81	221,295.38	158,115.87	0.00	760.62	574.38
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	4.26	16.58	152,781.16	99,318.17	0.00	6.10	7.96
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	56,888.21	8,307.05	12,377.28	43,118.32	0.00	48,594.37	8,628.28
24 Other assets: (sum of rows 25 to 29)	397,882.47	152,827.37	5,065.77	53,239.79	548,376.92	496,030.82	80,453.00	0.00
25 Physical traded commodities, including gold	0.00				0.00	0.00		0.00
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		24,342.83	0.00	0.00	20,691.40		22,155.67	0.00
27 NSFR derivative assets		1,461.10	0.00	0.00	1,461.10		0.00	0.00
28 NSFR derivative liabilities before deduction of variation margin posted		3,350.71	0.00	0.00	3,350.71		3,694.39	0.00
29 All other assets not included in the above categories	397,882.47	123,672.73	5,065.77	53,239.79	522,873.71	496,030.82	54,602.94	0.00
30 Off-balance sheet items	631,319.28	299,752.73	251,396.38	292,802.49	56,884.51	565,332.13	377,206.24	180,932.78
31 Total RSF					2,132,165.88			2,168,730.54
32 Net Stable Funding Ratio (%)					114.99			111.35

*for the purpose of NSFR computation, all deposits from Retail and Small Business customer have been considered as "less stable" on a conservative basis.

Standalone Financial Statements

for the year ended March 31, 2024

(₹ in million)

Particulars	As at March 31, 2023				As at December 31, 2022			
	Unweighted value by residual maturity		Weighted value	Unweighted value by residual maturity	Unweighted value by residual maturity		Weighted value	
	No maturity*	< 6 months			No < 6 months maturity*	6 months to < 1yr		
ASF Item								
1 Capital: (2+3)	406,736.64	-	139,412.00	546,148.60	395,524.35	-	139,412.00	534,936.40
2 Regulatory capital	406,736.64	-	103,106.80	509,843.40	395,524.35	-	114,706.80	510,231.20
3 Other capital instruments	-	-	36,305.20	36,305.20	-	-	24,705.20	24,705.20
4 Retail deposits and deposits from small business customers: (5+6)	390,832.05	446,751.12	21,303.22	902,234.50	387,171.31	436,534.82	17,668.22	875,580.80
5 Stable deposits	-	-	-	-	-	-	-	-
6 Less stable deposits *	390,832.05	446,751.12	21,303.22	902,234.50	387,171.31	436,534.82	17,668.22	875,580.80
7 Wholesale funding: (8+9)	254,712.03	456,792.08	26,053.21	490,491.90	229,179.32	521,456.21	14,596.13	474,476.90
8 Operational deposits	111,259.77	-	-	55,629.90	125,297.17	-	-	62,648.60
9 Other wholesale funding	143,452.26	456,792.08	26,053.21	434,862.00	103,882.15	521,456.21	14,596.13	411,828.30
10 Other liabilities: (11+12)	387,325.55	512.05	298,411.09	449,336.20	360,627.70	265,711.96	290,470.66	423,326.60
11 NSFR derivative liabilities	-	512.05	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	387,325.55	-	298,411.09	449,336.20	360,627.70	265,711.96	290,470.66	423,326.60
13 Total ASF (1+4+7+10)				2,388,211.20				2,308,320.70
RSF Item								
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	-	-	1,613.38	7,897.29	-	-	3,948.64
16 Performing loans and securities: (17+18+19+21+23)	-	526,069.99	178,665.27	1,407,408.02	1,502,839.10	503,951.91	1,348,330.47	1,421,501.99
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	70,533.89	84,610.90	80,878.22	36,032.64	48,960.60
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:	-	444,097.38	174,130.17	1,103,426.34	1,227,410.31	408,627.16	1,120,762.76	1,216,283.98



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for the year ended March 31, 2024

Particulars	As at March 31, 2023				As at December 31, 2022					
	Unweighted value by residual maturity			Weighted value	Unweighted value by residual maturity			Weighted value		
	No maturity* maturity*	< 6 months to < 1yr	6 months to < 1yr		≥ 1yr	No < 6 months maturity*	6 months to < 1yr		≥ 1yr	
20 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
21 Performing residential mortgages, of which:	-	497.14	823.72	193,717.97	157,047.54	-	346.53	678.66	147,899.47	119,167.15
22 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
23 Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	-	-	-	39,729.82	33,770.35	-	-	-	43,635.60	37,090.26
24 Other assets: (sum of rows 25 to 29)	537,971.30	70,621.05	-	-	582,663.40	530,974.77	113,169.74	-	-	572,924.60
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 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
27 NSFR derivative assets	-	-	-	-	-	-	3,234.96	-	-	3,234.96
28 NSFR derivative liabilities before deduction of variation margin posted	-	1,586.61	-	-	1,586.61	-	4,767.84	-	-	4,767.84
29 All other assets not included in the above categories	537,971.30	51,042.23	-	-	565,783.41	530,974.77	100,536.75	-	-	560,986.14
30 Off-balance sheet items	524,741.74	200,161.23	120,475.59	419,523.09	48,441.88	489,206.46	228,059.05	102,336.88	398,509.63	46,327.49
31 Total RSF					2,172,023.36				2,079,357.82	
32 Net Stable Funding Ratio (%)					109.95%				111.01%	

*for the purpose of NSFR computation, all deposits from Retail and Small Business customer have been considered as "less stable" on a conservative basis.

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for the year ended March 31, 2024

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				
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		No < 6 months maturity*	6 months to < 1yr	≥ 1yr		
ASF Item										
1 Capital: (2+3)	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
4 Retail deposits and deposits from small business customers: (5+6)	365,289.32	409,326.94	122,214.00	15,842.70	822,989.90	336,848.44	126,145.97	106,071.08	243,505.26	755,664.20
5 Stable deposits	-	-	-	-	-	-	-	-	-	-
6 Less stable deposits *	365,289.32	409,326.94	122,214.00	15,842.70	822,989.90	336,848.44	126,145.97	106,071.08	243,505.26	755,664.20
7 Wholesale funding: (8+9)	241,423.71	436,624.51	189,174.72	14,207.72	447,819.20	237,482.31	323,831.88	235,578.95	71,575.35	470,021.90
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	14,207.72	399,309.50	130,089.25	323,831.88	235,578.95	71,575.35	416,325.40
10 Other liabilities: (11+12)	425,723.39	3,318.90	266,639.03	257,749.03	391,068.50	378,673.30	66,068.86	189,600.46	284,643.99	411,335.70
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	257,749.03	391,068.50	378,673.30	63,783.01	189,600.46	284,643.99	411,335.70
13 Total ASF (1+4+7+10)					2,149,413.10					2,123,151.50
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)					26,681.00					26,947.10
15 Deposits held at other financial institutions for operational purposes	7,455.64	-	-	-	3,727.82	-	-	-	-	-
16 Performing loans and securities: (17+18+19+21+23)	-	451,802.20	187,235.65	1,223,208.39	1,319,917.44	-	434,605.78	155,148.25	1,308,707.79	1,369,041.20
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	31,066.13	41,255.11	-	37,889.99	889.35	31,241.49	37,369.67



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for the year ended March 31, 2024

Particulars	As at September 30, 2022				As at June 30, 2022				Weighted value
	Unweighted value by residual maturity				Unweighted value by residual maturity				
	No maturity* ≥ 1yr	< 6 months to < 1yr	6 months to < 1yr	≥ 1yr	No maturity* ≥ 1yr	< 6 months to < 1yr	6 months to < 1yr	≥ 1yr	
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	1,069,007.84	1,176,314.02	- 396,709.60	154,247.35	1,052,564.05	1,149,908.68	
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	- 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 Performing residential mortgages, of which:	- 3.97	8.37	104,896.60	86,846.16	- 6.19	11.55	78,148.60	57,022.24	
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	- 3.97	8.37	51,607.94	33,557.50	- 6.19	10.96	60,411.73	39,284.78	
23 Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	- -	- 18,237.82	15,502.15	- -	- 146,753.65	124,740.61			
24 Other assets: (sum of rows 25 to 29)	462,738.57	149,076.85	424.95	50,236.33	618,335.56	265,097.93	172,696.88	433,345.11	
25 Physical traded commodities, including gold	- -	- -	- -	- -	- -	- -	- -	- -	
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	19,971.97	- -	16,976.17	14,782.86	- -	- -	- -	12,565.43	
27 NSFR derivative assets	- -	- -	- -	- -	- -	- -	- -	- -	
28 NSFR derivative liabilities before deduction of variation margin posted	5,977.77	- -	5,977.77	5,140.55	- -	- -	- -	5,140.55	
29 All other assets not included in the above categories	462,738.57	123,127.11	424.95	50,236.33	595,381.62	152,773.47	60,892.84	415,639.13	
30 Off-balance sheet items	453,399.44	191,520.11	103,974.84	393,367.32	43,335.84	1,102,765.58	- -	41,555.05	
31 Total RSF	2,011,997.66				1,870,888.46				113.48%
32 Net Stable Funding Ratio (%)									

*for the purpose of NSFR computation, all deposits from Retail and Small Business customer have been considered as "less stable" on a conservative basis.

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for the year ended March 31, 2024

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, 2024 is 122.68% (as at March 31, 2023 was 109.95%), which is well above the minimum regulatory requirement of 100%.



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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 of March 31, 2024 and March 31, 2023.

(₹ in million)

Particulars	As of March 31, 2024	As of March 31, 2023
Total amount of intra-group exposures	2,450	2,450
Total amount of top-20 intra-group exposures	2,450	2,450
Percentage of intra-group exposures to total exposure of the Bank on borrowers / customers (%)	0.05%	0.06%

During the year ended March 31, 2024 and March 31, 2023, 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, 2024	For the year ended March 31, 2023
Opening balance of the amount transferred to DEAF	203.76	119.10
Add: Amounts transferred to DEAF during the year	118.33	87.60
Less: Amounts reimbursed by DEAF towards claims	11.95	2.94
Closing balance of amounts transferred to DEAF*	310.14	203.76

*Amount transferred to DEA Fund, as disclosed above, are also included under 'Schedule 12 - Contingent Liabilities - Other items for which the Bank is contingently liable'.

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, 2024 and year ended March 31, 2023 has been transferred without any delay.

17.5.65 Marketing and distribution

The Bank has received a fee of ₹ 1,807.78 million in respect of the marketing and distribution function (excluding bancassurance business) during the year ended March 31, 2024 (Previous year: ₹ 1,489.13 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.

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for the year ended March 31, 2024

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 IFRS (Ind AS) Management Committee'). The IFRS (Ind AS) Management Committee (Committee) comprises Chief Financial Officer (CFO) (Chairman), Chief Risk Officer (CRO), Chief Operating Officer (COO), Chief Information Officer (CIO) as members and senior management from Financial Management, Risk Management and Treasury Operations as invitees. The Committee oversees the progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation such as Ind AS technical requirements, systems and processes, business impact, people and project management. The Committee closely reviews progress of the implementation and related matters.
- The 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)		
Particulars	March 31, 2024	March 31, 2023
1) Payment of DICGC Insurance Premium	3,097.78	2,636.23
2) Arrears in payment of DICGC premium	-	-

During the year ended March 31, 2024 ₹ 2,861.51 million (previous year ₹ 2,234.09 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 ₹ 856.64 million (Previous year of ₹ 912.37 million) and additional capital of ₹ 3,022.42 million (Previous year of ₹ 2,876.74 million) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2024.



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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 of March 31, 2024	As of March 31, 2023
Number of frauds reported ^{\$}	127	116
Amount involved in fraud (₹ million)	4,704.42	3,041.91
Amount involved in fraud net of recoveries / write-offs as at the end of the year (₹ million)	4,428.93	2,692.14
Amount of provision made for such frauds (₹ million)	4,403.10	1,412.56
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ million) *	25.83	1,279.58

^{\$} does not include digital payments related frauds

*With respect to five borrower accounts classified as fraud during the year ended March 31, 2024, the Bank has debited ₹ 25.83 million from 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: ₹ 1,279.58 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 2023-24	FY 2022-23
Complaints received by the Bank from its customers			
1	Number of complaints pending at beginning of the year	2,097	1,451
2	Number of complaints received during the year	56,452	62,704
3	Number of complaints disposed during the year	57,046	62,058
3.1	Of which, number of complaints rejected by the Bank	7,806	6,159
4	Number of complaints pending at the end of the year	1,503	2,097
Maintainable complaints received by the Bank from OOOs			
5	Number of maintainable complaints received by the Bank from OOOs	2,804	1,930*
5.1	Of 5, number of complaints resolved in favour of the Bank by BOs	1,235	863
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by BOs	1,569	1,066
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	0	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.

* 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.

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B. Top five grounds of complaints received by the Bank from customers¹

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
FY 2024					
Internet/Mobile/Electronic Banking	1,141	20,494	(14%)	811	101
ATM/Debit Cards	534	14,790	(23%)	218	12
Loans and advances	112	5,604	(5%)	165	0
Credit Cards	125	3,990	(17%)	56	5
Account opening/difficulty in operation of accounts	7	1,137	169%	17	0
Others	178	10,437	20%	236	0
Total	2,097	56,452	(10%)	1,503	118
FY 2023					
Internet/Mobile/Electronic Banking	766	23,796	60%	1,141	90
ATM/Debit Cards	496	19,088	12%	534	44
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
Total	1,451	62,704	33%	2,097	134

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 ₹ 1,527.55 million (Previous year ₹ 803.62 million) worth bills which were paid with delays to micro and small enterprises. There have been ₹ 16.63 million worth bills remaining unpaid with delays as at March 31, 2024 (Previous year: ₹ 2.84 million). Interest accrued and remaining unpaid amounting to ₹ 1.26 million on bills remaining unpaid with delays. However, there have been no reported cases of demand of interest on these payments.



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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, 2024 and March 31, 2023. Hence requirement of master direction of Securitisation of Standard Assets dated September 24, 2021 is not applicable.

17.5.73 Software Capitalized under Fixed Assets

The Bank has capitalized software under Fixed Asset amounting to ₹ 3,800.16 million and ₹ 2,170.35 million during the financial year ended March 31, 2024 and March 31, 2023 respectively.

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
At cost at March 31 of preceding year	11,466.76	9,296.41
Additions during the year	3,800.16	2,170.35
Deductions during the year	-	-
Depreciation to date	(10,133.33)	(8,280.62)
Net block	5,133.60	3,186.14

17.5.74 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.

17.5.75 PSLCs sold and purchased during the year ended March 31, 2024 and March 31, 2023

(₹ in million)

Particulars	2023-24		2022-23	
	Purchased	Sold	Purchased	Sold
PSLC – Agriculture	-	52,110.00	-	-
PSLC - SF/MF	396,632.50	-	-	-
PSLC - Micro Enterprises	-	-	-	-
PSLC – General	-	232,000.00	-	-

17.5.76 Other income/expenditure

Miscellaneous income includes issuance business income of ₹ 4,403.23 million exceeding 1% of total income (Previous year: ₹ 3,026.78 million).

Other expenditure includes issuance business of ₹ 3,600.79 million, IT related expenditure of ₹ 7,011.13 million, Loan sourcing fees and Collection charges of ₹ 11,673.39 million, Professional Fees and Commission of ₹ 6,318.59 million and PSLC of ₹ 3,452.12 million exceeding 1% of total income.

(During the previous year other expenditure included IT related expenditure of ₹ 5,972.31 million, Loan sourcing fees and Collection charges of ₹ 11,268.56 million, Professional Fees and Commission of ₹ 5,723.46 million exceeding 1% of total income).

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17.5.77 Business transfer

Pursuant to the approval in the Board Meeting held on January 27, 2024, the Bank entered into a business transfer agreement to transfer Investment Banking and Merchant Banking Business from its wholly owned subsidiary company YES Securities (India) Limited to the Bank ('the transaction'). As per the terms of the business transfer agreement, the transaction has been consummated with transfer of assets and liabilities pertaining to the said businesses during the quarter ended March 31, 2024 with effective date of transfer as January 1, 2024. The Bank paid ₹ 20.60 million as purchase consideration in cash to acquire net identifiable assets of ₹ 10.95 million. The resultant difference of ₹ 9.65 million between the purchase consideration and the value of net identifiable assets acquired has been charged off to profit and loss account.

17.5.78 Portfolio-level information on the use of funds raised from green deposits

The Bank has not sourced any green deposits during the year ended March 31, 2024.

17.5.79 Remuneration paid to Non-Executive Directors

The details of the remuneration paid to Non-Executive Directors are given below:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fixed Remuneration*	19.90	17.50
Sitting fees	23.93	27.65
Grand Total	43.83	45.15

* Includes remuneration paid to part-time chairman.

17.5.80 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 recognised 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.



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Sr. No.	Contingent Liabilities	Brief
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. This includes the amount that the Bank is obligated to pay under capital contracts, letter of undertaking and indemnity letters.
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.

As per our report of even date attached.

For Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

Vineet Saxena

Partner

Membership No: 100770

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Mumbai

April 27, 2024

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

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

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, 2024, 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').

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, 2024, 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
Asset Classification of Advances and Investments (IRAC) and Provisioning	
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.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of asset classification and provisioning pertaining to investments and advances. In particular: 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;



Key Audit Matters	Auditor's Response
As required under prudential norms issued by the Reserve Bank of India (RBI) in respect of asset classification and provisioning pertaining to investments as well as those pertaining to advances, and relevant circulars, notifications and directives issued by the RBI which were collectively considered by the Bank till March 31, 2024, classifies advances into performing and non-performing advances (NPA) which consists of Standard, Sub-standard, Doubtful and Loss and makes appropriate provisions. 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. 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.	- Tested key IT systems/ applications used and their design and implementation as well as operational effectiveness of relevant controls, in relation to 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; - 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; - Tested, selected restructured accounts on sample basis and their compliance with relevant RBI guidelines; - 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; - Tested the Bank's processes for making provision on advances for compliance with RBI regulations and internally laid down policies for provisioning; - Undertaken the walkthrough for the automated E-NPA system and tested the core functionality for selected samples considering the audit universe. - Validated the parameters used to calculate collective provisions with reference to IRAC norms, and Regulatory Package; - Tested provision created for fraud accounts as at March 31, 2024 as per the RBI circular; - 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) - Assessed the adequacy of disclosures against the RBI Guidelines

Key Audit Matters	Auditor's Response
IT Systems and Controls over financial reporting 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 and hence the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. 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. 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. Such controls provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation of financial reports.	- 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. - 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 & Environmental Security, Creation and maintenance of edit logs, Backup and Restoration, Business Continuity and Disaster Recovery, Service Level Agreement. - 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. - 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. - 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. - 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.



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, Business Responsibility and Sustainability Report, Directors' Report forming part of the Annual Report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Management and Board of Directors included in the Group are responsible for assessing the Group'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 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 Matters' 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 Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements

We communicate with those charged with governance of the 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 Matters

- a) The Financial Statements of YES Securities (India) Limited, included in the Consolidated Financial Statements, reflects Group's share of total assets of ₹ 12680.80 million as at March 31, 2024, Group's share of total revenue of ₹ 2738.20 million and Group's share of total net profit after tax of ₹ 341.20 million and net cash inflow of ₹ 45.90 million for the year ended March 31, 2024 as considered in the Consolidated Financial Statements. 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.

- b) The Consolidated Financial Statements for the year ended March 31, 2023 have been audited by one of the predecessor auditors M.P. Chitale & Co. and continuing joint statutory auditor Chokshi & Chokshi LLP, whose report dated April 22, 2023, had expressed an unmodified opinion. The above report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Consolidated Financial Statements.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

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 on March 31, 2024, 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 on March 31, 2024, 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, 2024 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, 2024 - 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) Based on our examination which included test checks and that performed by the auditor of the subsidiary whose financial statements have been audited under the Act, the Holding Company (the Bank), its subsidiary company incorporated in India have used accounting software for maintaining their respective books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we and other auditor, whose report has been furnished to us by the Management of the Holding Company (the Bank), have not come across any instance of the audit trail feature being tampered with.

4) 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 G.M. Kapadia & Co.

Chartered Accountants
(Registration No. 104767W)

Atul Shah

Partner
(Membership No. 039569)
UDIN: 24039569BKAUIK5384

Place: Mumbai
Date: April 27, 2024

For Chokshi & Chokshi LLP

Chartered Accountants
(Regn. No. 101872W / W100045)

Vineet Saxena

Partner
(Membership No. 100770)
UDIN: 24100770BKCORG7004

Place: Mumbai
Date: April 27, 2024



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, 2024

(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, 2024)

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")

Opinion

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 of March 31, 2024, in conjunction with our audit of the consolidated financial statements of the Bank for the year ended on that date.

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, 2024, 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.

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.

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 G.M. Kapadia & Co.

Chartered Accountants
(Registration No. 104767W)

Atul Shah

Partner
(Membership No. 039569)
UDIN: 24039569BKAUIK5384

Place: Mumbai
Date: April 27, 2024

For Chokshi & Chokshi LLP

Chartered Accountants
(Regn. No. 101872W / W100045)

Vineet Saxena

Partner
(Membership No. 100770)
UDIN: 24100770BKCORG7004

Place: Mumbai
Date: April 27, 2024



Consolidated Balance Sheet

as on March 31 2024

(₹ in thousands)

	Schedule	As on March 31, 2024	As on March 31, 2023
CAPITAL AND LIABILITIES			
Capital	1	57,535,764	57,509,551
Share Warrants Subscription Money	Note 17.6.2	9,483,918	9,483,918
Reserves and surplus	2	354,532,174	340,188,289
Minority Interest	2A	-	-
Deposits	3	2,662,295,315	2,173,821,930
Borrowings	4	805,076,097	777,539,839
Other liabilities and provisions	5	174,692,191	193,497,814
TOTAL		4,063,615,459	3,552,041,341
ASSETS			
Cash and balances with Reserve Bank of India	6	181,392,387	128,640,853
Balances with banks and money at call and short notice	7	11,792,105	64,919,235
Investments	8	899,969,523	767,492,974
Advances	9	2,277,990,414	2,032,365,452
Fixed assets	10	28,657,370	24,514,813
Other assets	11	663,813,660	534,108,014
Goodwill on Consolidation		-	-
TOTAL		4,063,615,459	3,552,041,341
Contingent liabilities	12	7,969,577,549	6,613,854,796
Bills for collection		153,682,865	174,132,625
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 Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors

YES BANK Limited

CIN: L65190MH2003PLC143249

Vineet Saxena

Partner

Membership No: 100770

Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

Sanjay Khemani

Director

(DIN: 00072812)

Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Rajan Pental

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

Mumbai

April 27, 2024

Consolidated Profit and Loss Account

for the year ended March 31 2024

(₹ in thousands)

	Schedule	For the year ended March 31, 2024	For the year ended March 31, 2023
I. INCOME			
Interest earned	13	276,058,622	227,021,619
Other income	14	53,550,270	38,830,076
TOTAL		329,608,892	265,851,695
II. EXPENDITURE			
Interest expended	15	195,272,521	147,997,602
Operating expenses	16	100,093,975	85,839,254
Provisions and contingencies	Note 17.6.5	21,390,381	24,656,653
TOTAL		316,756,877	258,493,509
III. PROFIT/(LOSS)			
Share of earnings/loss in Associates		-	-
Consolidated Net profit/(loss) for the year before deducting Minorities' Interest		12,852,015	7,358,186
Less: Minorities' Interest		-	-
Consolidated profit/(loss) for the year attributable to the Group		12,852,015	7,358,186
Add: Brought forward consolidated profit/(loss) attributable to the group		(100,937,560)	(107,567,593)
TOTAL		(88,085,545)	(100,209,407)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		3,127,699	1,793,522
Transfer to Capital Reserve		262,640	31,666
Transfer to Investment Reserve		431,921	16,787
Transfer to Investment Fluctuation Reserve		472,297	2,358,763
Transfer to Revenue and other Reserves		(1,253,752)	(3,472,576)
Dividend paid for previous year		-	-
Tax on Dividend paid for previous year		-	-
Proposed Dividend		-	-
Tax (including surcharge and education cess) on Dividend		-	-
Balance carried over to balance sheet		(91,126,350)	(100,937,560)
TOTAL		(88,085,545)	(100,209,397)
Significant Accounting Policies and Notes to Accounts forming part of financial statements	17		
Earnings per share	Note 17.6.11		
Basic (₹)		0.45	0.28
Diluted (₹)		0.44	0.28
(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 Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors

YES BANK Limited

CIN: L65190MH2003PLC143249

Vineet Saxena

Partner

Membership No: 100770

Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

Sanjay Khemani

Director

(DIN: 00072812)

Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Rajan Pental

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

Mumbai

April 27, 2024



Consolidated Cash Flow Statement

for the year ended March 31 2024

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from/(used in) Operating Activities		
Net profit before taxes	15,376,881	9,813,283
Adjustment for		
ESOP Compensation Expense	312,125	218,407
Depreciation for the year	5,455,502	4,334,178
Amortization of premium on investments	4,105,944	3,868,850
Provision for / revaluation of investments	351,771	24,122,209
Provision for standard advances	(1,011,477)	(1,496,202)
Provision/write off of non performing advances	27,642,686	(15,264,116)
Other provisions	942,849	(225,075)
(Profit)/Loss on sale of land, building and other assets	20,624	(46,664)
(i)	53,196,905	25,324,870
Adjustments for :		
Increase / (Decrease) in Deposits	488,473,385	203,196,167
Increase/(Decrease) in Other Liabilities	(20,008,109)	41,476,494
(Increase)/Decrease in Investments	(22,243,378)	(156,296,161)
(Increase)/Decrease in Advances	(273,267,648)	(207,511,235)
(Increase)/Decrease in Other assets	(125,933,989)	(163,679,407)
(ii)	47,020,261	(282,814,142)
Payment of direct taxes	(3,771,656)	(673,306)
Net cash generated from / (used in) operating activities (A)	(i+ii+iii) 96,445,510	(258,162,578)
Cash flow from/(used in) investing activities		
Purchase of fixed assets	(9,806,555)	(7,915,921)
Proceeds from sale of fixed assets	187,871	523,660
Investment in equity shares of Asset Reconstruction Company	(731,421)	(270,090)
(Increase) / Decrease in Held To Maturity (HTM) securities	(113,959,464)	(121,377,925)
Net cash generated / (used in) from investing activities (B)	(124,309,569)	(129,040,276)
Cash flow from/(used in) financing activities		
Increase in Borrowings (gross)	30,336,258	71,776,013
Tier I/II Debt repaid during the year	(2,800,000)	(17,638,000)
Proceeds from issuance of Equity Shares (net of share issue expense)	171,955	50,881,913
Proceeds from share warrants subscription money	-	9,483,918
Net cash generated from / (used in) financing activities (C)	27,708,213	114,503,844
Effect of exchange fluctuation on translation reserve (D)	(219,751)	(1,222,927)
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	(375,597)	(273,921,937)
Cash and cash equivalents as at April 1	193,560,088	467,482,025
Cash and cash equivalents as at March 31	193,184,491	193,560,088

Consolidated Cash Flow Statement

for the year ended March 31 2024

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Notes to the Cash flow statement:		
Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India	181,392,387	128,640,853
Balances with Banks and Money at Call and Short Notice	11,792,104	64,919,235
Cash and cash equivalents as at March 31	193,184,491	193,560,088

As per our report of even date attached.

For Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors

YES BANK Limited

CIN: L65190MH2003PLC143249

Vineet Saxena

Partner

Membership No: 100770

Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

Sanjay Khemani

Director

(DIN: 00072812)

Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Rajan Pental

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

Mumbai

April 27, 2024



Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 1 - CAPITAL		
Authorised Capital		
40,000,000,000 equity shares of ₹ 2/- each	80,000,000	80,000,000
20,000,000 preference shares of ₹ 100/- each	2,000,000	2,000,000
Issued, subscribed and paid-up capital (Refer Sch 17.6.1)		
28,767,882,106 equity shares of ₹ 2/- each	57,535,764	57,509,551
TOTAL	57,535,764	57,509,551

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory Reserves		
Opening balance	53,393,153	51,599,631
Additions during the year	3,127,699	1,793,522
Deductions during the year	-	-
Closing balance	56,520,852	53,393,153
II. Share Premium		
Opening balance	366,438,573	322,949,781
Additions during the year (Refer Sch 17.6.1)	173,577	43,488,792
Deductions during the year	-	-
Closing balance	366,612,150	366,438,573
III. Capital Reserve		
Opening balance	17,299,817	17,268,151
Additions during the year	262,640	31,666
Deductions during the year	-	-
Closing balance	17,562,457	17,299,817
IV. Capital Reserve on Consolidation		
Opening balance	164,816	164,816
Additions during the year	-	-
Deductions during the year	-	-
Closing balance	164,816	164,816
V. Investment Reserve		
Opening balance	584,916	568,129
Additions during the year	431,921	16,787
Deductions during the year	-	-
Closing balance	1,016,837	584,916
VI. Foreign Currency Translation Reserve		
Opening balance	(1,303,463)	(80,536)
Additions during the year	(219,750)	(1,222,927)
Deductions during the year	-	-
Closing balance	(1,523,213)	(1,303,463)
VII. Cash Flow Hedge Reserve		
Opening balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
Closing balance	-	-

Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
VIII. Investment Fluctuation Reserve		
Opening balance	4,245,715	1,886,952
Additions during the year	472,297	2,358,763
Deductions during the year	-	-
Closing balance	4,718,012	4,245,715
IX. Employee Stock Options Reserve		
Opening balance	302,331	90,449
Additions during the year (Refer Sch 17.6.4)	312,565	218,407
Deductions during the year	28,275	6,524
Closing balance	586,621	302,331
X. Balance in Profit and Loss Account	(91,126,358)	(100,937,570)
TOTAL	354,532,174	340,188,289

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 2A - MINORITY INTEREST		
Minority interest at the date on which the parent-subsidary relationship came into existence	-	-
Subsequent increase/ decrease	-	-
Minority interest on the date of balance sheet	-	-

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 3 - DEPOSITS		
A. I. Demand Deposits		
i) From Banks	25,236,766	19,913,112
ii) From others	388,039,226	316,024,714
II. Savings Bank Deposit	409,729,868	332,999,169
III. Term Deposits		
i) From banks	81,248,319	93,738,300
ii) From others (incl. CD's issued)	1,758,041,136	1,411,146,635
TOTAL	2,662,295,315	2,173,821,930
B. I. Deposits of branches in India	2,642,206,822	2,164,734,802
II. Deposits of branches outside India	20,088,493	9,087,128
TOTAL	2,662,295,315	2,173,821,930



Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 4 - BORROWINGS		
I. Borrowing in India		
i) Reserve Bank of India ¹	16,450,000	67,370,000
ii) Other banks	45,577,944	20,171,266
iii) Other institutions and agencies ^{1 & 2}	481,774,845	444,816,592
iv) Innovative Perpetual Debt Instruments (IPDI)	-	2,800,000
v) Tier II Borrowings	139,412,000	139,412,000
TOTAL (A)	683,214,789	674,569,858
II. Borrowings outside India		
i) Borrowings outside India	121,861,308	102,969,981
ii) Innovative Perpetual Debt Instruments (IPDI)	-	-
iii) Tier II Borrowings	-	-
TOTAL (B)	121,861,308	102,969,981
TOTAL (A+B)	805,076,097	777,539,839

(1) Secured borrowings are ₹ 22,279,505 thousands (March 31, 2023: ₹ 111,808,311 thousands).

(2) Including ₹ 438,078,040 thousands of refinance borrowing (March 31, 2023: ₹ 360,458,382 thousands) ₹ 13,150,000 thousands (March 31 2023: ₹ 16,450,000 thousands) of Green Infrastructure Bonds raised to fund 'Green Projects' and ₹ 21,350,000 thousands (March 31, 2023: ₹ 21,350,000 thousands) of Long Term Infrastructure Bonds raised to finance affordable housing and infrastructure projects.

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	4,986,264	7,511,786
II. Inter-office adjustments (net)	-	-
III. Interest accrued	26,944,469	24,306,636
IV. Others (including provisions)		
- Provision for standard advances	16,733,338	17,744,816
- Country risk exposures	-	102,035
- Others*	126,028,120	143,832,540
- Income Tax Provision	-	-
TOTAL	174,692,191	193,497,814

*Others includes Marked to Market adjustments on derivatives ₹ 53,897,552 thousands (March 31, 2023: ₹ 69,922,500 thousands)

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	9,620,705	8,891,955
II. Balances with Reserve Bank of India		
- In current account	151,681,682	119,748,898
- In other account	20,090,000	-
TOTAL	181,392,387	128,640,853

Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 7 - BALANCES WITH BANKS, MONEY AT CALL AND SHORT NOTICE		
I. In India		
Balances with banks-		
i) In current accounts	2,661,601	3,229,083
ii) In other deposit accounts	4,969,710	1,677,910
Money at call and short notice		
i) With Banks	-	820,000
ii) With other institutions	-	24,331,430
TOTAL (I)	7,631,311	30,058,423
II. Outside India		
i) In current account	617,749	10,199,952
ii) In other deposit account	-	-
iii) Money at call and short notice	3,543,045	24,660,860
TOTAL (II)	4,160,794	34,860,812
TOTAL (I+II)	11,792,105	64,919,235

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 8 - INVESTMENTS (Net of provisions)		
A. Investments in India		
i) Government Securities*	806,206,308	651,582,015
ii) Other approved securities	-	-
iii) Shares	1,283,620	503,120
iv) Debentures and bonds	59,997,095	49,889,311
v) Associates	-	-
vi) Others (Commercial Papers, Certificate of Deposits, Security Receipts, Pass through certificates, Mutual Funds, Venture Capital Funds etc.)	24,669,495	51,022,443
TOTAL (I)	892,156,518	752,996,889
B. Investments outside India		
i) Government Securities	7,806,343	12,202,605
ii) Shares	6,662	6,630
iii) Debentures and bonds	-	1,330,786
iv) Others (MFs)	-	956,064
TOTAL (II)	7,813,005	14,496,085
TOTAL (I+II)	899,969,523	767,492,974
C. Investments in India		
i) Gross value of investments	939,011,651	799,282,924
ii) Aggregate of provisions for depreciation	46,855,132	46,286,034
Net investment TOTAL (I)	892,156,518	752,996,889
D. Investments outside India		
i) Gross value of investments	7,813,005	14,852,103
ii) Aggregate of provisions for depreciation	-	356,018
Net investment TOTAL (II)	7,813,005	14,496,085
	899,969,523	767,492,974

* Includes securities of face value ₹ 48,303,545 thousands (March 31, 2023: ₹ 112,842,783 thousands) pledged for clearing facility and margin requirements.



Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 9 - ADVANCES (Net of provisions)		
A. i) Bills purchased and discounted	36,531,550	26,954,447
ii) Cash credit, overdrafts and loans repayable on demand ⁽¹⁾	732,946,234	603,211,548
iii) Term loans	1,508,512,630	1,402,199,457
TOTAL	2,277,990,414	2,032,365,452
B. i) Secured by tangible assets ⁽¹⁾ (includes advances secured by fixed deposits and book debt)	1,754,086,196	1,532,416,883
ii) Covered by Bank/Government guarantees	20,260,291	63,408,099
iii) Unsecured ⁽²⁾⁽³⁾	503,643,927	436,540,470
TOTAL	2,277,990,414	2,032,365,452
(1) Includes NIL (March 31, 2023: ₹ 30,689,277 thousands) 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, 2024 advances of ₹ 49,662,585 thousands (March 31, 2023: ₹ 48,929,005 thousands) for which security documentation is either being obtained or being registered. (3) Includes at March 31, 2024 advances amounting to ₹ 2,763,700 thousands (March 31, 2023 : ₹ 1,427,223 thousand) has been secured by intangible securities such as charge over the rights, licenses, authority, etc.		
C. I. Advances in India		
i) Priority sectors	963,870,601	759,181,119
ii) Public sector	-	-
iii) Banks ⁽¹⁾	5,879,698	3,002,559
iv) Others	1,248,636,876	1,204,494,847
TOTAL (I)	2,218,387,175	1,966,678,525
II. Advances outside India		
i) Due from Banks	207,781	1,052,637
ii) Due from Others	59,395,458	64,634,290
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	19,951,099	10,654,379
(c) Others	39,444,359	53,979,911
TOTAL (II)	59,603,239	65,686,927
TOTAL (I+II)	2,277,990,414	2,032,365,452

Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
At cost as on March 31 of preceding year	12,102,530	12,480,561
Additions during the year	-	-
Deductions during the year	-	(378,031)
Accumulated depreciation to date	(528,248)	(356,925)
IA. Premises under construction	-	-
TOTAL (I)	11,574,282	11,745,605
II. Other Fixed Assets (including furniture and fixtures and software)		
At cost as on March 31 of preceding year	32,653,053	27,282,820
Additions during the year	9,197,916	6,210,117
Deductions during the year	(698,731)	(839,884)
Accumulated depreciation to date	(27,635,473)	(22,841,530)
IIA. Leased Assets		
At cost as on March 31 of preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Accumulated depreciation to date	-	-
TOTAL (II)	13,516,765	9,811,523
TOTAL (I+II)	25,091,047	21,557,128
III. Capital work-in-progress(net of provision)	3,566,323	2,957,684
TOTAL	28,657,370	24,514,813

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 11 - OTHER ASSETS		
I. Interest Accrued	28,057,561	22,453,286
II. Advance tax and tax deducted at source (net of provision)	12,003,576	6,926,967
III. Deferred tax asset (Refer Sch 17.6.13)	85,630,915	89,411,542
IV. Stationery and stamps	2,115	1,563
V. Non-Banking assets acquired in satisfaction of claims	353,000	353,000
VI. Others*	537,766,493	414,961,656
TOTAL	663,813,660	534,108,014

*1. Includes deposits placed with NABARD/SIDBI/NHB, etc. of ₹ 440,872,509 thousands (March 31, 2023: ₹ 309,095,659 thousands) on account of shortfall in priority sector targets.

2. Includes Marked to Market adjustments on derivatives of ₹ 47,752,918 thousands (March 31, 2023: ₹ 62,901,600 thousands)



Schedules

forming a part of Consolidated Balance Sheet

(₹ in thousands)

	As on March 31, 2024	As on March 31, 2023
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	3,655,281	792,648
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	3,835,376,775	2,871,564,016
IV. Liability on account of outstanding derivative contracts	-	-
(a) Single currency Interest Rate Swap	2,614,541,640	2,601,271,973
(b) Others	336,619,315	341,007,859
V. Guarantees given on behalf on constituents	-	-
(a) In India	589,956,581	444,062,267
(b) Outside India	-	219,497
VI. Acceptances, endorsement and other obligations	210,148,657	171,293,059
VII. Other items for which the Bank is contingently liable	-	-
(a) Purchase of securities pending settlement	958,430	1,752,006
(b) Capital commitment	4,037,417	3,891,446
(c) Amount deposited with RBI under Depositor Education and Awareness Fund (DEAF)	310,144	203,755
(d) Foreign exchange contracts (Tom & Spot)	363,535,042	175,065,652
(e) Custody	2,509,542	2,730,617
(f) Bills Rediscounting	-	-
(g) Letter of Undertaking	7,928,725	-
(h) When Issued ('WI') securities	-	-
TOTAL	7,969,577,549	6,613,854,796

Contingent Liability on account of outstanding forward exchange contracts and single currency interest rate swap as on March 31, 2024 includes notional amount of ₹ 3,697,440,095 thousands and ₹ 1,517,307,402 thousands (March 31, 2023: ₹ 2,388,453,904 thousands and ₹ 1,335,920,303 thousands) guaranteed by CCIL representing 88.06% and 58.03% (March 31, 2023: 83.18% and 51.36%) of total outstanding forward exchange contracts and single currency interest rate swaps respectively.

Schedules

forming a part of Consolidated Profit and Loss Account

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills	210,832,081	178,189,679
II. Income on investments (including dividend)	49,582,584	35,645,993
III. Interest on balances with Reserve Bank of India and other inter-bank funds	4,583,982	8,410,286
IV. Others	11,059,975	4,775,661
TOTAL	276,058,622	227,021,619

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	30,742,601	20,913,056
II. Profit/(Loss) on the sale of investments (net)	2,270,961	344,205
III. Profit/(Loss) on the revaluation of investments (net)	1,043,288	(34,831)
IV. Profit/(Loss) on sale of land, building and other assets	(20,624)	69,550
V. Profit/(Loss) on exchange transactions (net)	6,441,110	7,446,193
VI. Income earned by way of dividends	-	-
VII. a. Lease finance income	-	-
b. Lease management fee	-	-
c. Overdue charges	-	-
d. Interest on lease rent receivables	-	-
VIII. Miscellaneous income	13,072,934	10,091,903
TOTAL	53,550,270	38,830,076

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	135,623,916	101,027,218
II. Interest on Reserve Bank of India/inter-bank borrowings/ Tier I and Tier II debt instruments	57,977,557	45,905,501
III. Others	1,671,048	1,064,883
TOTAL	195,272,521	147,997,602

(₹ in thousands)

	For the year ended March 31, 2024	For the year ended March 31, 2023
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees	38,873,176	34,750,703
II. Rent, taxes and lighting	5,102,339	4,425,607
III. Printing and stationery	679,750	459,052
IV. Advertisement and publicity	580,612	128,704
V. a. Depreciation on Group's property other than Leased Assets	5,455,502	4,334,178
b. Depreciation on Leased Assets	-	-
VI. Directors' fees, allowances and expenses	46,589	49,327
VII. Auditors' fees and expenses	49,467	44,896
VIII. Law charges	142,282	532,529
IX. Postage, telegrams, telephones, etc.	653,134	641,040
X. Repairs and maintenance	595,617	543,237
XI. Insurance	3,450,594	2,814,329
XII. Amortisation of Goodwill	-	-
XIII. Other expenditure	44,464,913	37,115,652
TOTAL	100,093,975	85,839,254



Consolidated Financial Statements

for the year ended March 31, 2024

17. Significant accounting policies and notes forming part of the consolidated financial statements for the year ended March 31, 2024

17.1 Background

YES BANK ('the Bank') is a publicly held bank, together with its subsidiary (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.

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 consolidates its subsidiary 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 consolidated financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Group used in the preparation of 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 the Companies (Accounts) Rules, 2014 and the 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 subsidiary 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 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.

17.5 Significant accounting policies

17.5.1 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Consolidated Financial Statements

for the year ended March 31, 2024

- Interest income is recognised in the profit and loss account on accrual basis, except in the case of non-performing assets. Interest on non-performing assets is recognised as per the prudential norms of the RBI. Penal Charges for covenant breach is recognised upon certainty of its realisation.
- Dividend income is recognised when the right to receive payment is established.
- Commission on Guarantees and Letters of Credit ('LC') issued by the Bank is recognised as income over the period of the Guarantee and LC respectively.
- Income on non-coupon bearing discounted instruments is recognised over the tenure of the instrument on a straight line basis. In case of coupon bearing discounted instruments, discount income is recognised over the tenor of the instrument on constant 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 recognised 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 realisable.
- Other fees and commission are accounted for as and when they became due and realisable.
- Gain / loss on sell down of loans is recognised in line with the extant RBI guidelines.
- Appropriations of recoveries in standard advances (except for credit cards, which is based on agreement) are made in below order:
 - a) Interest
 - b) Principal
 - c) Charges, Costs, Commission etc.
- Appropriations of recoveries in NPAs (except for credit cards, which is based on agreement) are made in below order:
 - a) Principal
 - b) Interest
 - c) Charges, Costs, Commission etc.
- 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.

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 1 August 25, 2021, as amended.

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.



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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.

Purchase and sale transactions in securities are accounted on settlement date.

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) Shifting among 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 versa (in exceptional circumstances), is done at the book value and with the approval of the Board of Directors/ Asset Liability Committee (ALCO) /Investment Committee). 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 recognised 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.

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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.

PTCs 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 recognised 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, PTCs (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 Net Asset Value (NAV) shown by the AIF/VCF as per the financial statements. The VCF/AIF are valued based on the audited financial statements 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 recognised 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 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 realised 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 (SRs). In effect, the value of SRs is reflected in a manner that the value of SRs 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. SRs/ PTCs which are not redeemed as at the end of resolution period are fully provided in books of accounts.



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Investments in quoted Mutual Fund (MF) Units are valued at the latest repurchase price/NAV declared by the MF. 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 recognised 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

Cost of investments is computed based on the First-In-First-Out (FIFO) method. Profit/Loss on sale of Investments in the HTM category is recognised 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 recognised 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 recognised as interest income/expense over the period of transaction.

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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 loans where there has been delay in reporting the fraud to the RBI, 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'.



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In respect of restructured standard and non performing advances/investments, 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

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 Credit 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, Mumbai interbank forward offered rate ('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 Accounting Standard ('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

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differences are accumulated in the Foreign Currency Translation Reserve 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.

17.5.5 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 unrealised gains/losses are recognised 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.

The Bank follows the option premium accounting framework prescribed by FEDAI SPL- circular dated December 14, 2007. Premium on option transaction is recognised 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 recognised as realised gains/losses on options. Charges receivable/payable on cancellation/ termination of foreign exchange forward contracts and swaps are recognised 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.



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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.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

17.5.8 Non-banking assets

Non-banking assets (NBAs) acquired in satisfaction of claims are carried at lower of net book value and net realisable value, whichever is lower. Further, the Bank creates provision on these assets as per the extant RBI guidelines or specific RBI directions.

17.5.9 Depreciation

Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, as determined by the management, as 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 ¹	6 years	3 years
Computer software ¹	6 years	4 years
Vehicles ¹	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.	

¹ Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are 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.
- Profit on sale of premises by the Bank is appropriated to capital reserve, net of transfer to Statutory Reserve taxes, in accordance with RBI guidelines.

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- Subsequent 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.

17.5.10 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.

17.5.11 Employee benefits

Employee Stock Option Scheme ('ESOS')

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Group to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within specified periods.

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 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 recognised 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 recognised 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.

YSIL measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost in case of YSIL is measured by the excess, if any, of the fair value of underlying YSIL shares as on issue date over the exercise price. The fair value of the stock-based compensation in case of YSIL is estimated on the date of grant using discounted cashflow method and expensed over the vesting period

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 credit 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 recognised 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.

17.5.12 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating lease payments are recognised 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.

17.5.13 Income taxes

Tax expense comprises current and deferred tax. Current tax comprises of the amount of tax for the period determined in accordance with the Income-tax Act, 1961 and the rules framed there under. Deferred 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 recognised only to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets in case of unabsorbed depreciation/ losses are recognised only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits. Deferred tax assets are recognised 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.

17.5.14 Provisions and contingent assets/liabilities

In accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets, the Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

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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 recognised 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 recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised 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 recognised in the period in which the change occurs.

17.5.15 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.

17.5.16 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss account.

17.5.17 Debit and credit cards reward points

The Bank estimates the probable redemption of debit and credit card reward points and cost per point using actuarial valuation method by employing an independent actuary, which includes assumptions such as mortality, redemption and spends.

Provisions for liabilities on said reward points are made based on the actuarial valuation report as furnished by the said independent actuary and included in other liabilities.

17.5.18 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.

17.5.19 Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

17.5.20 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.

17.5.21 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 and the fee received for purchase or sale of the PSLCs is treated as an 'Expense' 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

During the year ended March 31, 2024, the Bank has issued 13,106,772 equity shares (Previous year: 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.

During the previous year, the Bank had issued 3,696,155,702 equity shares of face value ₹ 2 each fully paid up for cash on a preferential basis.

Movement in Share Capital

(₹ in million)

Share Capital	As at March 31, 2024	As at March 31, 2023
Opening Share Capital	57,509.55	50,109.90
Addition due to exercise of Stock Option	26.21	7.34
Addition due to shares issued on a preferential basis	-	7,392.31
Closing Share Capital	57,535.76	57,509.55

The Group has accreted ₹ 173.58 million during the year ended March 31, 2024 (Previous year: ₹ 43,488.79 million) towards share premium.

17.6.2 Share Warrants Subscription Money

During the previous year the Bank had 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.

On April 21, 2024, the Bank has allotted 1,279,880,909 equity shares of ₹ 2/- each pursuant to exercise of share warrants by one of the allottees upon receipt of balance 75% of the issue price of ₹ 14.82 per share warrant. Resultantly, the share capital and share premium has increased by ₹ 2,559.80 million and ₹ 16,408.10 million respectively.

17.6.3 Proposed Dividend:

During the year ended March 31, 2024 and March 31, 2023 the Bank has not declared any dividend on equity shares.

17.6.4 Employee Stock Option Reserve

During the year ended March 31, 2024, the Bank has recognised ₹ 312.56 million (Previous year: ₹ 218.41 million) to Employee Stock Options Reserve on account of fair valuation of share-linked instruments. During the year ended March 31, 2024, on exercise of share-linked instruments, an amount of ₹ 28.28 million (Previous year: ₹ 6.52 million) is transferred from Employees Stock Options Reserve to share premium.

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17.6.5 Provisions and contingencies

The breakup of provisions of the Group for the year ended March 31, 2024 and March 31, 2023 are given below:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for taxation@	2,524.87	2,455.10
Provision for non performing investments#	(5,425.77)	24,087.38
Provision for standard advances#	(1,011.48)	(1,496.20)
Provision made/write off for non performing advances#	24,382.31	(169.46)
Other Provisions*	920.45	(220.16)
TOTAL	21,390.38	24,656.66

@ Details in note 17.6.6

* Other Provisions includes provision made against other assets.

Sale of stressed loans to JC Flowers Asset Reconstruction Private Limited

FY2024

During the year ended March 31, 2024, the Bank has transferred two stressed loans of gross value ₹ 6,903.20 million to ARCs. The net book value ('NBV') of these exposures in the Bank's books as on the date of assignment was ₹ 1,420.84 million and the final consideration received was ₹ 3,364.00 million under "100% upfront cash basis". The realised profit amounting ₹ 1,943.16 million due to cash recovery exceeding the net book value of stressed loans was credited to Profit and Loss Account during the year ended March 31, 2024.

FY2023

In the previous year, 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 on 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 realised 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



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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, 2024	For the year ended March 31, 2023
Current Tax	-	-
Deferred tax	3,780.63	2,430.53
(Write back)/Additional provision of Income Tax pertaining to previous years	(1,255.76)	24.56
TOTAL	2,524.87	2,455.10

17.6.7 Staff retirement benefits

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the consolidated financial statements as of March 31, 2024 and March 31, 2023 which is as per AS-15 Employee Benefits (Revised):

a) Changes in present value of Obligations:

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Obligation at the beginning of the year	1,597.32	1,705.23
Interest Cost	115.24	99.56
Current Service Cost	266.52	314.84
Past Service Cost	-	-
Benefits Paid	(255.22)	(232.44)
Actuarial (gain)/loss on Obligation	54.48	(289.81)
Present Value of Obligation at the end of the year	1,778.34	1,597.39

b) Changes in the fair value of plan assets:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value of plan assets at the beginning of the year	1,439.85	1,315.37
Adjustment to Opening Balance	-	0.00
Expected return on plan assets	103.84	76.86
Contributions	(11.00)	307.01
Benefits paid	(233.22)	(232.44)
Actuarial gain/(loss) on plan assets	19.22	(26.95)
Fair value of plan assets at the end of the period	1,318.70	1,439.85

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.

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Net gratuity cost for the year ended March 31, 2024 and March 31, 2023 comprises the following components:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	266.52	314.84
Interest Cost	115.24	99.56
Expected Return on plan assets	(103.84)	(76.86)
Net Actuarial gain recognised in the year	35.21	(262.86)
Past Service Cost	-	-
Expenses recognised	313.12	74.69

Experience History:

(₹ in million)

Particulars	For the year ended				
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
(Gain)/Loss on obligation due to change in assumption	6.50	(352.89)	(26.74)	-	(252.08)
Experience (Gain)/Loss on obligation	47.98	63.08	(126.45)	(137.29)	47.97
Actuarial Gain/(Loss) on plan assets	19.22	(26.93)	34.08	30.23	(27.02)

The assumptions used in accounting for the gratuity plan are set out below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate	7.1%-7.2%	7.20%
Expected Return on Plan Assets	7.00%-7.10%	7.00%-7.20%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Future Salary Increases	9%-10%	6.00%-9.00%
Disability	-	-
Attrition	26%-41%	26% - 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, 2024	For the year ended March 31, 2023
Fair value of plan assets at the end of the period	1,318.70	1,439.85
Present Value of Obligation at the end of the year	1,778.29	1,597.28
Plan asset / (liability)	(459.59)	(157.43)

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.



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National Pension Scheme

The Group has contributed ₹ 85.45 million for the year ended March 31, 2024 (Previous year: ₹ 54.98 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 Group has recognised in the profit and loss account ₹ 1,358.91 million for the year ended March 31, 2024 (Previous year: ₹ 1,223.21 million) towards contribution to the provident fund.

Compensated absences

The Group has recognised ₹ 94.91 million in the profit and loss account for the year ended March 31, 2024 (Previous year: ₹ 47.16 million) towards compensated absences.

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 Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilization from other banks and financial institutions.
- **Corporate / Wholesale Banking:** Includes lending, deposit taking and other services offered to corporate customers.
- **Retail Banking:** Includes lending, deposit taking and other services offered to retail customers. 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. 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, 2024 with Comparative presentation of segmental results of sub-segment 'Digital Banking' for the year ended March 31, 2023.
- **Other Banking Operations:** Includes para banking activities like third party product distribution, merchant banking etc.

Segmental results for the year ended March 31, 2024 are set out below:

(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking#	Other Banking Operations	Total
Segment Revenue	75,523.94	101,642.41	141,532.91	12,197.15	330,896.42
Add/(Less): Inter-segment					(1,287.52)
Exceptional item					-
Revenue net of inter- segment					329,608.89
Result	13,628.35	13,844.55	(9,725.75)	6,170.77	23,907.91
Unallocated Expenses					(8,531.02)
Operating Profit					15,376.89
Income Taxes					2,524.87
Extra-ordinary Profit/(Loss)					-
Net Profit					12,852.02

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(₹ in million)

Business Segments	Treasury	Corporate / Wholesale Banking	Retail Banking#	Other Banking Operations	Total
Other Information:					
Segment assets	1,605,567.01	1,072,653.54	1,264,924.91	10,268.40	3,953,413.86
Unallocated assets					110,201.60
Total assets					4,063,615.46
Segment liabilities	880,772.16	1,196,719.82	1,553,644.50	5,189.89	3,636,326.36
Unallocated liabilities					427,289.10
Total liabilities					4,063,615.46

Other banking operations includes income from bancassurance business ₹ 6,917.51 million during year ended March 31, 2024.

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, 2024
Segment Revenue	2.44
Result	(4.74)
Segment assets	14.60
Segment liabilities	24.08

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)					-
Net Profit					7,358.19
Other Information:					
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
Total assets					3,552,041.34
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
Total liabilities					3,552,041.34

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

Notes for segment reporting:

1. The business of the Group is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).
2. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
3. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
4. The unallocated assets includes tax paid in advance/tax deducted at source and deferred tax asset.
5. The unallocated liabilities include Share Capital and Reserves & Surplus.
6. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

17.6.9 Related Party Disclosures

The Group has transactions with its related parties comprising of key management personnel and the relatives of key management personnel, enterprise over which the group has control by way of controlling the composition their governing body and investing company.

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 period ended March 31, 2024 are disclosed below:

Enterprise over which the Group has control by way of controlling the composition of their corresponding governing body

- YES Foundation

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
Relatives - Neelam Agarwal, Leelawati Agarwal
- Mr. Rajan Pental, Executive Director
Relatives - Anju Pental, Aryan Pental, Shreya Pental, Jyoti Walia, Sangeeta Rajpal

Investing Company

- State Bank of India Limited (SBI).

As per Accounting Standard 18 - Related Party Disclosure, SBI is an investing company for YES Bank Limited and YES Bank Limited is an associate of SBI.

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The following represents the significant transactions between the group and such related parties for the period ended March 31, 2024:

(₹ in million)

Items / Related Party Category	Investing party	Maximum Balance during the year	Enterprise over which the group has control by way of controlling the composition of their corresponding governing body	Maximum Balance during the year	KMP / Whole time directors / Individual having significant influence	Maximum Balance during the year	Relatives of KMP / Whole time directors / Individual having significant influence	Maximum Balance during the year
Borrowings	#	#	-	-	-	-	-	-
Deposits [^]	#	#	#	#	3.33*	20.95@	0.54*	0.89@
Placement of Deposits	-	-	-	-	-	-	-	-
Advances (Overdraft)	#	#	-	-	0.00*	0.00	0.07*	0.19@
Investment	-	-	-	-	-	-	-	-
Non-Funded Commitments	#	#	-	-	-	-	-	-
Interest received	#	-	-	-	-	-	0.01	-
Interest paid	#	-	#	-	0.34	-	0.03	-
Reimbursement of Cost incurred	#	-	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-	-	-
Remuneration paid	-	-	-	-	78.87	-	-	-
Donation / Contributions made	-	-	#	-	-	-	-	-

[#]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.

[^] In accordance with the proviso to Regulation 2(1) (zc) of SEBI LODR acceptance of fixed deposits from related parties (on uniformly applicable terms) has been exempted and acceptance of fixed deposits will not be regarded as a related party transaction.

*Represents balance as on March 31, 2024

@Represents the maximum month end balance maintained upto year ended March 31, 2024.

Values of the related party transactions during the reporting period and their balances containing amounts below ₹ 50,000 are denoted as '0.00'.



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The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 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 ^	-	-	-	-

¹As 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, 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 on 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

17.6.10 Operating Leases

Lease payments recognised in the profit and loss account for the year ended March 31, 2024 was ₹ 4,346.66 million (Previous year: ₹ 3,726.92 million). During the year ended March 31, 2024, the Group had paid minimum lease payment ₹ 4,097.57 million (Previous year: ₹ 3,427.58 million).

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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, 2024	As at March 31, 2023
Not later than one year	3,962.37	3,421.81
Later than one year and not later than five years	13,551.84	11,897.91
Later than five years	13,568.32	12,665.99
TOTAL	31,082.53	27,985.71

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 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, 2024	For the year ended March 31, 2023
Net profit / (loss) after tax (₹)	12,852.02	7,358.19
Basic earnings per share (₹)	0.45	0.28
Diluted earnings per share (₹)	0.44	0.28
Nominal value per share (₹)	2	2
Reconciliation between weighted shares used in computation of basic and diluted earnings per share		-
Basic weighted average no. of equity shares outstanding	28,759,039,213	26,159,996,163
Add: Effect of potential equity shares*	666,289,397	85,558,191
Diluted Weighted average no. of equity shares outstanding	29,425,328,611	26,245,554,354

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.

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 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.

17.6.12 ESOP disclosures

YES BANK Limited

Effective September 10, 2020 nomenclature of YBL Employee Stock Option Scheme, 2018 ('YBL ESOS – 2018') change to YBL Employee Stock Option Scheme, 2020 (YBL ESOS 2020) and all the plans under the said scheme continue to be valid 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



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YBL MD & CEO Stock Option Plan, 2020 (MD & CEO Plan 2020). 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 and Sweat Equity) Regulations, 2021 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 and PESOP II -2010 ('the old plans') had been discontinued w.e.f. June 12, 2018 pursuant to coming into effect of YBL ESOS 2018. However, options already granted and exercisable under the old plans are valid in accordance with the terms & conditions mentioned therein.

Options under all the above-mentioned plans are granted for a term of 10 years (inclusive of the vesting period as mentioned below) and are settled with equity shares to the beneficiary upon exercise:

JESOP / PESOP	ESOP Scheme	Vesting period
JESOP	JESOP V and JESOP 2018	50% after 3 years and balance after 5 years from the grant date
PESOP	PESOP II - 2010 and PESOP 2018	30%, 30% & 40% each year, from end of 3rd 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

Summary of movement of options granted under the Bank's stock option plans is set out below:

As of March 31, 2024:

	Number of Option		Weighted average exercise price	
	PESOP	JESOP	PESOP	JESOP
Outstanding at the beginning of the year	215,329,609	7,595,897	25.08	134.90
Granted during the year	131,126,099	2,350,000	16.14	19.05
Exercised during the year	13,106,772	-	13.12	-
Forfeited / lapsed during the year	51,717,126	1,695,850	22.53	120.67
Outstanding at the end of the year	281,631,810	8,250,047	21.94	104.83
Exercisable at the end of the year	64,266,236	4,160,047	19.33	140.93

As of March 31, 2023:

	Number of Option		Weighted average exercise price	
	PESOP	JESOP	PESOP	JESOP
Outstanding at the beginning of the year	110,581,230	8,179,527	40.35	161.28
Granted during the year	132,190,469	980,000	13.59	14.60
Exercised during the year	3,666,651	-	12.98	-
Forfeited / lapsed during the year	23,775,439	1,563,630	34.08	197.47
Outstanding at the end of the year	215,329,609	7,595,897	25.08	134.90
Exercisable at the end of the year	33,799,652	5,328,397	60.92	174.47

The options were exercised on a regular basis throughout the period. Weighted average share price the Bank's publicly traded equity shares as per BSE Ltd price volume data during the year ended March 31, 2024 was ₹ 19.3 per share (Previous year: ₹ 15.97 per share).

Consolidated Financial Statements

for the year ended March 31, 2024

Range of exercise price wise summary of options outstanding at March 31, 2024:

Range of exercise price	Number of options outstanding		Weighted average remaining contractual life (in years)	
	PESOP	JESOP	PESOP	JESOP
Less than ₹ 25	271,427,230	3,800,000	8.09	4.14
₹ 25 to ₹ 100	-	577,900	-	0.37
₹ 100 to ₹ 250	4,385,330	3,059,647	0.02	0.67
₹ 250 to ₹ 400	5,819,250	812,500	0.09	0.32

Range of exercise price wise summary of options outstanding at March 31, 2023:

Range of exercise price	Number of options outstanding		Weighted average remaining contractual life (in years)	
	PESOP	JESOP	PESOP	JESOP
Less than ₹ 25	202,153,656	2,037,500	8.30	2.27
₹ 25 to ₹ 100	1,449,350	888,500	0.00	0.50
₹ 100 to ₹ 250	4,823,330	3,607,397	0.05	1.40
₹ 250 to ₹ 400	6,903,273	1,062,500	0.17	0.62

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 Bank has adopted the fair value method based on Black- Scholes Pricing Model, for pricing and accounting of options. The fair value of the stock-based compensation is estimated on the grant date and is recognised under employee cost over the vesting period. As a result, 'Employees cost' for the year ended March 31, 2024 is ₹ 312.56 million (Previous year: ₹ 216.26 million). The weighted average fair value of options granted during the year ended March 31, 2024 was ₹ 4.07 per option (Previous year: ₹ 3.73 per option).

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 ₹ 220.82 million (Previous year: lower by ₹ 229.19 million). The basic earnings per share would have been ₹ 0.43 per share (Previous year: ₹ 0.27 per share) instead of ₹ 0.44 per share (Previous year: ₹ 0.27 per share) and diluted earnings per share would have been ₹ 0.42 per share (Previous year: ₹ 0.26 per share) per share instead of ₹ 0.43 per share (Previous year: ₹ 0.27 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 inputs and assumptions have been used for computation of the fair value based on method of Black-Scholes Pricing Model for the options granted during the year:

Input	For the year ended March 31, 2024	For the year ended March 31, 2023
Risk free interest rate	7.04%-7.42%	6.53%-7.57%
Expected life	1.5 yrs-7.5 yrs	1.5 yrs-7.5 yrs
Expected volatility	24.61%-47.07%	24.18%-49.38%
Expected dividend yield	1.10%	1.10%

Risk free interest rates over the expected life of the option are based on yield of the government securities in effect at the time of the grant. The expected life of an option is estimated based on the vesting period plus expected exercise period after vesting based on exercise behaviour of the employees who receive the option. Expected exercise behaviour is estimated based on the historical stock option exercise pattern of the Bank. Expected volatility during the estimated expected life of the option is based on historical volatility determined based on observed market prices of the Bank's publicly traded equity shares. Expected dividend yield during the estimated expected life of the option are based on industry average.



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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 on 31 March 2024 is set out below:

Particulars	As at March 31 2024		As at March 31, 2023	
	PESOP	JESOP	PESOP	JESOP
Options outstanding at the beginning of the year – Lot 1	1,760,000	-	2,165,000	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	325,000	-	405,000	-
Options outstanding at the end of the year	1,435,000	-	1,760,000	-
Weighted average exercise price	12.43	-	12.43	-
Options outstanding at the beginning of the year – Lot 2	2,637,500	225,000	-	-
Granted during the year	-	-	2,825,000	255,000
Exercised during the year	-	-	-	-
Forfeited / lapsed during the year	409,375	125,000	187,500	30,000
Options outstanding at the end of the year	2,228,125	100,000	2,637,500	225,000
Weighted average exercise price	38.55	38.55	38.55	38.55

YSIL has issued ESOP's at fair value as on issue date as per the discounted cashflow method. There is a net reversal of ₹ 0.44 million for the year ended March 31, 2024 (Previous year: expense of ₹ 2.14 million) on account of employee stock-based compensation under 'Employees cost' for the YSIL.

17.6.13 Deferred Taxation

The deferred tax asset of ₹ 85,630.92 million as at March 31, 2024 and ₹ 89,411.54 million as at March 31, 2023, is included under other assets and the corresponding credits have been taken to the profit and loss account.

Consolidated Financial Statements

for the year ended March 31, 2024

The components that give rise to the deferred tax asset included in the balance sheet are as follows:

(₹ in million)

Particular	As at March 31, 2024	As at March 31, 2023
Depreciation	218.10	363.15
Provision for gratuity and unutilized leave	406.32	307.15
Provision for Non-Performing Assets	7,094.56	7,576.97
Amortization of premium on HTM securities	19.71	77.17
Business Loss	60,701.36	63,628.05
Unabsorbed Depreciation	1,988.55	2,284.44
Provision for standard advances	4,164.13	4,418.70
Other Provisions	11,038.18	10,755.90
Total	85,630.92	89,411.54

The Group has a total deferred tax asset of ₹ 85,630.92 as at March 31, 2024 (Previous year: ₹ 89,411.54 million). During the year ended March 31, 2024, the Group has reported net consolidated profit of ₹ 12,852.02 million (Previous year: ₹ 7,358.19 million). The Bank continues to carry the aforesaid deferred tax asset in its Balance Sheet in terms of Accounting Standard 22 (Accounting for Taxes on Income). The realizability of the deferred tax assets has been assessed by the management of the Bank. 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.

17.6.14 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 ₹ 1,527.55 million (Previous year ₹ 803.62 million) worth bills which were paid with delays to micro and small enterprises. There have been ₹ 28.63 million worth bills remaining unpaid with delays as at March 31, 2024 (Previous year: ₹ 5.54 million). Interest accrued and remaining unpaid amounting to ₹ 1.26 million on bills remaining unpaid with delays. There have been no demand of interest on these payments.

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.



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for the year ended March 31, 2024

17.6.16 Credit / Debit card reward points

Provision for credit card and debit card reward points for the year ended March 31, 2024 and March 31, 2023.

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening provision	643.67	529.45
Provision made during the year	444.68	464.65
Utilised/Write-back of provision	(435.18)	(350.43)
Closing provision	653.17	643.67

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)

The details of Corporate Social Responsibility (CSR) activities carried out in line with the CSR Policy of the Bank are given below:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the Bank	Nil	Nil
(b) Amount approved by the Board to be spent	100.00	Nil
(c) Amount spent during the year on:		
(i) Construction / acquisition of any asset	Nil	Nil
(ii) On purposes other than (i) above	100.00	Nil
(d) Amount recognised as expense in the Profit and Loss account on CSR related activities	Nil	Nil
(e) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	Nil	Nil
(f) Details of related party transactions in relation to CSR expenditure as per AS 18:		
Of the amount spent as per (c) above, contribution made to YES Foundation for CSR activities	100.00	Nil
(g) (i) Movement in amount remained unspent:		
Opening balance	Nil	Nil
Add: Amount required to be spent during the year	Nil	Nil
Less: Amount spent during the year	Nil	Nil
Less: Amount deposited in Specified Fund of Sch. VII within 6 months	Nil	Nil
Closing balance	Nil	Nil
(ii) Movement in amount spent in excess of the requirements:		
Amount available for set off from preceding year	Nil	Nil
Add: Amount required to be spent during the year	Nil	Nil
Less: Amount spent during the year	100.00	Nil
Amount available for set off carried forward to the next year	100.00	Nil

YES Securities India Ltd. ('YSIL')

Amount required to be spent on CSR during the year was ₹ 0.50 million (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 ₹ 1.00 million (Previous year: ₹ 1.00 million).

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for the year ended March 31, 2024

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, 2024 is ₹ 701.47 million (Previous year: ₹ 2,080.18 million).

17.6.19 Tier I and Tier II Capital

During the financial year ended March 31, 2024 and March 31, 2023, the Bank has not issued any Tier I or Tier II instruments. During the year ended March 31, 2024, the Bank has not repaid any Tier I or Tier II instruments (Previous Year ₹ 17,630 million). The Bank has repaid Additional Tier-I capital of ₹ 2,800.0 million during the year ended March 31, 2024, however the same was not considered for regulatory capital for the year ended March 31, 2023 basis guidance received from RBI.

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 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, in so far 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.



Consolidated Financial Statements

for the year ended March 31, 2024

Proceedings before the Hon'ble Supreme Court of India ("Supreme Court"):

Aggrieved by the Judgment of the Hon'ble BHC, the Bank, the RBI and the Central Government have 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.

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. The matter is tentatively scheduled for hearing on May 10, 2024.

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, 2024 and the year ended March 31, 2023 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.

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.

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for the year ended March 31, 2024

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 recognised 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. DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022 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 5 per cent of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5 per cent of the reported 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 FY2023 and FY2022.

17.6.24 Other income/expenditure

Miscellaneous income includes issuance business income of ₹ 4,403.23 million exceeding 1% of total income (Previous year: ₹ 3,026.78 million).

Other expenditure includes issuance business expenses of ₹ 3,600.79 million, IT related expenses of ₹ 7,259.89 million, Loan sourcing fees and Collection charges of ₹ 11,673.39 million, Professional Fees and Commission of ₹ 6,392.7 million, and PSLC of ₹ 3,452.12 million exceeding 1% of total income.



Consolidated Financial Statements

for the year ended March 31, 2024

(During the previous year other expenditure includes IT related expenses of ₹ 5,972.31 million, Loan sourcing fees and Collection charges of ₹ 11,268.56 million, Professional Fees and Commission of ₹ 5,723.46 million exceeding 1% of total income).

17.6.25 Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiary 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.

As per our report of even date attached.

For Chokshi & Chokshi LLP

Chartered Accountants

Firm's Registration No: 101872W/W100045

For and on behalf of the Board of Directors

YES BANK Limited

CIN: L65190MH2003PLC143249

Vineet Saxena

Partner

Membership No: 100770

Rama Subramaniam Gandhi

Chairman

(DIN: 03341633)

Sanjay Khemani

Director

(DIN: 00072812)

Prashant Kumar

Managing Director & CEO

(DIN: 07562475)

For G.M.Kapadia & Co.

Chartered Accountants

Firm's Registration No: 104767W

Atul Shah

Partner

Membership No: 039569

Rajan Pental

Executive Director

(DIN: 08432870)

Niranjan Banodkar

Chief Financial Officer

Shivanand R. Shettigar

Company Secretary

Mumbai

April 27, 2024

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)

Sl. No.		
1	Name of the subsidiary	YES Securities (India) Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4	Share capital	979,400
5	Reserves & surplus	1,608,600
6	Total assets	12,680,800
7	Total Liabilities	10,092,800
8	Investments	108,200
9	Turnover	2,717,400
10	Profit / (Loss) before taxation	377,100
11	Provision for taxation	35,879
12	Profit / (Loss) after taxation	341,221
13	Proposed Dividend	-
14	% 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

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 on March 31, 2024.

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS – PILLAR III In accordance with RBI circular RBI/2023-24/31 DOR.CAP.REC.15/21.06.201/2023 -24 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 regulatory disclosure section. 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/footer/regulatory-policies/regulatory-disclosures-section>



Assurance Statement¹



INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Yes Bank Limited (YBL).

Holds Statement No.: **BSIV 806794-1**

Introduction

The **British Standards Institution (BSI)** has been engaged by **Yes Bank Limited (YBL)** to provide an independent reasonable assurance of the sustainability information (described in the "Scope") included in the Business Responsibility and Sustainability Report (BRSR) for the period April 1, 2023 to March 31, 2024 (FY 2023-24).

Scope

The scope of engagement agreed upon with YBL includes the following:

The independent reasonable assurance covers sustainability information pertaining to BRSR Core, Key Performance Indicators (KPIs) in accordance with Annexure I of the Securities and Exchange Board of India (SEBI) vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023. This sustainability information is included in the Bank's BRSR for the period April 1, 2023 to March 31, 2024 (FY 2023-24). BSI has performed a reasonable assurance engagement on whether the Bank's disclosures in the BRSR Core are fairly presented, in all material respects in accordance with the reporting criteria (refer table below).

Sustainability information subject to reasonable assurance	Period subject to assurance	Reporting criteria
BRSR Core (Refer Annexure I of SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023)	April 1, 2023 to March 31, 2024	- Regulation 34(2)(f) of SEBI's Listing Obligations and Disclosure Requirements (SEBI LODR) - BRSR Core - Framework for assurance and ESG disclosures for value chain (SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023) - Guidance Note for Business Responsibility & Sustainability Reporting Format issued by SEBI (Annexure II - SEBI/HO/CFD/CMD-2/P/CIR/2021/562)

The independent reasonable assurance covers the following BRSR Core KPIs which are included in the Bank's BRSR report for FY 2023-24:

('P' represents the 9 Principles of the National Guidelines for Responsible Business Conduct (NGRBC) / 'E' represents Essential Indicators, within each Principle in the BRSR Format)

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The British Standards Institution
Incorporated by Royal Charter
Registered in India: CIN U74899DL1999PTC101381



¹ GRI 2-5



- Green-house gas (GHG) footprint – P6:E7
- Water footprint – P6:E3 and P6:E4
- Energy footprint – P6:E1
- Embracing circularity – P6:E9
- Enhancing employee wellbeing and safety – P3:E1(c) and P3:E11
- Enabling gender diversity in business - P5:E3(b) and P5:E7
- Enabling inclusive development - P8:E4 and P8:E5
- Fairness in engaging with customers and suppliers - P9:E7 and P1:E8
- Open-ness of business - P1:E9

[The details of subject matters and their boundaries within the scope is described in Appendix A and Appendix B in this independent assurance opinion statement].

Opinion Statement

We have conducted a reasonable assurance engagement covering the sustainability information pertaining to BRSR Core KPIs for the period April 1, 2023 to March 31, 2024 (FY 2023-24), covering disclosures on Green-house gas (GHG) footprint, water footprint, energy footprint, embracing circularity, enhancing employee wellbeing and safety, enabling gender diversity in business, enabling inclusive development, fairness in engaging with customers and suppliers, open-ness of business.

In our opinion, the accompanying sustainability information is fairly presented, in all material respects, in accordance with the reporting criteria stated above.

Methodology

Our assurance engagement was carried out in accordance with ISAE3000 (Revised) assurance standard following the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to YBL policies to confirm the appropriateness of statements made in the report
- Discussion with managers and staff on YBL approach to stakeholder engagement. However, we had no direct contact with external stakeholders
- Interviews with staff involved in sustainability management, BRSR report preparation, provision of data & information, implementation of controls, etc were carried out
- Document review of relevant systems, policies, controls and procedures where available
- Review of key organizational developments and review of the findings of internal audits
- Review of supporting evidence for claims made in the reports

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- Visit of the 8 major offices of YBL to confirm the data collection processes, record management practices, and check evidence for BRSR Core KPIs physically
- A sample-based assessment of the reliability and quality of information covered as part of the BRSR Core KPIs with samples considered based on criticality of data points

Responsibility

YBL is responsible for the preparation and fair presentation of the sustainability information described in the "Scope" above in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders of YBL, giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to YBL and has no financial interest in the operation of YBL other than for the assurance of the sustainability statements contained in the Business Responsibility and Sustainability Report.

This independent assurance opinion statement has been prepared for the stakeholders of YBL only for the purposes of verifying its statements relating to BRSR Core (Annexure I) as notified by SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023), more particularly described in the Scope above.

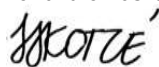
This independent assurance opinion statement is prepared based on review by BSI, of information presented to it by YBL. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by YBL is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team that conducted the assurance has extensive experience in conducting assurance & verification over environmental, social & governance (ESG), and GRI Standards 2021, AA1000AS, ISO10002, ISO 14001, ISO 45001, ISO 14064, ISO 14068, ISO 50001, and ISO 9001, etc. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Issue Date: 12-07-2024

For and on behalf of BSI:



BSI Representative
Theuns Kotze, Managing Director– IMETA Assurance

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Appendix A: BRSR Attributes

BRSR KPI		Type of Assurance
PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment		
Attribute: Green-house gas (GHG) footprint		
P6:E7	Total Scope 1 GHG emissions	Reasonable
	Total Scope 2 GHG emissions	Reasonable
	GHG emission intensity (Scope 1 +2) (Total tCO ₂ e / Revenue from operations)	Reasonable
	GHG emission intensity (Scope 1 +2) (Total tCO ₂ e / Total Revenue from operations adjusted for PPP)	Reasonable
	GHG emission intensity (Scope 1 +2) (Total tCO ₂ e / Full-Time Employee)	Reasonable
Attribute: Water footprint		
P6:E3	Total volume of water withdrawal	Reasonable
	Total volume of water consumption	Reasonable
	Water consumption intensity (KL / Revenue from operations)	Reasonable
	Water consumption intensity (KL / Total Revenue from operations adjusted for PPP)	Reasonable
	Water consumption intensity (KL / Full-Time Employee)	Reasonable
P6:E4	Water discharge by destination & levels of Treatment	Reasonable
Attribute: Energy footprint		
P6:E1	Total energy consumed (from renewable and non-renewable sources)	Reasonable
	% of Energy consumed from renewable sources	Reasonable
	Energy intensity (Megajoules / Revenue from operations)	Reasonable
	Energy intensity (Megajoules / Total Revenue from operations adjusted for PPP)	Reasonable
	Energy intensity (Megajoules / Full-Time Employee)	Reasonable
Attribute: Embracing circularity - details related to waste management by the entity		

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BRSR KPI		Type of Assurance
P6:E9	Plastic waste, E-waste, Biomedical waste, Construction & Demolition waste, Battery waste, Radioactive waste, Other hazardous waste, Other non-hazardous waste	Reasonable
	Total waste generated	Reasonable
	Waste intensity (MT / Revenue from operations)	Reasonable
	Waste intensity (MT / Total Revenue from operations adjusted for PPP)	Reasonable
	Waste intensity (MT / Full-Time Employee)	Reasonable
	For each category of waste, waste recovered through recycling, reusing or recovery – Absolute & Intensity	Reasonable
	For each category of waste, waste disposed by nature of disposal – Absolute & Intensity	Reasonable
PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains		
Attribute: Enhancing Employee Wellbeing and Safety		
P3:E1 (c)	Spending on measures towards well-being of employees and workers (cost incurred on wellbeing measures as a % of total revenue of the company)	Reasonable
P3:E11	Details of safety related incidents for employees and workers including contract-workforce	Reasonable
PRINCIPLE 5 Businesses should respect and promote human rights		
Attribute: Enabling Gender Diversity in Business		
P5:E3 (b)	Gross wages paid to females as % of wages paid by the entity	Reasonable
P5:E7	Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Reasonable
	Complaints on POSH as a % of female employees / workers	
	Complaints on POSH upheld	
PRINCIPLE 8 Businesses should promote inclusive growth and equitable development		
Attribute: Enabling Inclusive Development		
P8:E4	Percentage of input material (inputs to total inputs by value) sourced from Suppliers: Directly sourced from MSMEs/ small producers & Directly from within India	Reasonable
P8:E5	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/ on contract) as % of total wage cost	Reasonable

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BRSR KPI		Type of Assurance
PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner		
<i>Attribute: Fairness in Engaging with Customers and Suppliers</i>		
P9:E7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	Reasonable
PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that Ethical, Transparent and Accountable		
<i>Attribute: Fairness in Engaging with Customers and Suppliers</i>		
P1:E8	Number of days of accounts payable	Reasonable
<i>Attribute: Open-ness of business (audited data provided by Financial Auditor)</i>		
P1:E9	Concentration of purchases	Reasonable
	Concentration of sales	Reasonable
	Share of RPTs (as respective percentage) in – • Purchases • Sales • Loans & advances • Investments	Reasonable

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Appendix B:

List of locations which form the boundaries of the sustainability information pertaining to "Green-house gas (GHG) footprint, water footprint, energy footprint, embracing circularity, enhancing employee wellbeing and safety, enabling gender diversity in business, enabling inclusive development, fairness in engaging with customers and suppliers, open-ness of business".

S.NO	Location	Type
1	National	8 Major Offices in India (including the Bank's Registered Office, YES BANK House in Mumbai) and 51 Regional Offices 1,234 Branches and 1,290 ATMs across 28 States and 6 Union Territories of India
2	International	- IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT) - Representative office in Abu Dhabi

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INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Yes Bank Limited (YBL).

Holds Statement No.: **BSIV 806794-2**

Introduction

The **British Standards Institution (BSI)** has been engaged by **Yes Bank Limited (YBL)** to provide an independent limited assurance of select sustainability information (described in the "Scope"), included in the Business Responsibility and Sustainability Report (BRSR) for the period April 1, 2023 to March 31, 2024 (FY 2023-24).

Scope

The scope of engagement agreed upon with YBL includes the following:

The independent limited assurance covers select (non-core) sustainability information pertaining to the BRSR for the period April 1, 2023 to March 31, 2024 (FY 2023-24) in accordance with Annexure II of the Securities and Exchange Board of India (SEBI) vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023. BSI has performed a limited assurance engagement on whether the select (non-core) sustainability information in the BRSR, are fairly presented, in all material respects in accordance with the reporting criteria (refer table below).

Sustainability information subject to limited assurance	Period subject to assurance	Reporting criteria
Select non-core sustainability disclosures as per BRSR Format (Refer Annexure II of SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023)	April 1, 2023 to March 31, 2024	- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) - BRSR Core - Framework for assurance and ESG disclosures for value chain (SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023) - Guidance Note for Business Responsibility & Sustainability Reporting Format issued by SEBI (Annexure II - SEBI/HO/CFD/CMD-2/P/CIR/2021/562)

Select non-core BRSR disclosures covered:

The independent limited assurance covers the following select (non-core) sustainability information which are included in the Bank's BRSR report for FY 2023-24:

(‘P’ represents the 9 Principles of the National Guidelines for Responsible Business Conduct (NGRBC) / ‘E’ represents Essential Indicators and ‘L’ represents Leadership Indicators, within each Principle in the BRSR Format)

- Section A: General Disclosures

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- Employees - Q20, Q21, and Q22
- Transparency and Disclosures Compliances – Q25
- Section C: Principle wise Performance Disclosure
 - P3:E1(a), P3:E2, P3:E5, P3:E8, P3:E9 and P3:E14
 - P5:E1, P5:E2, P5:E3(a) and P5:E6
 - P6:E6 and P6:L2
 - P8:L2 and P8:L6
 - P9:E3

[The details of subject matters and their boundaries within the scope is described in Appendix A and Appendix B in this independent assurance opinion statement].

Opinion Statement

We have conducted a limited assurance engagement covering the sustainability information described in the "Scope", which are included in the BRSR for the period April 1, 2023 to March 31, 2024 (FY 2023-24).

Based on the processes and procedures conducted as per limited assurance, there is no evidence that the accompanying sustainability information is not materially correct and is not fairly represented in accordance with the reporting criteria stated above.

Methodology

Our assurance engagement was carried out in accordance with ISAE3000 (Revised) assurance standard following the principles of "Integrity, Objectivity, Professional competence and due care, Confidentiality and Professional behaviour".

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to YBL policies to confirm the appropriateness of statements made in the report
- Discussion with managers and staff on YBL approach to stakeholder engagement. However, we had no direct contact with external stakeholders
- Interviews with staff involved in sustainability management, BRSR report preparation, provision of data & information, implementation of controls, etc were carried out
- Document review of relevant systems, policies, controls and procedures where available
- Review of key organizational developments And Review of the findings of internal audits
- Review of supporting evidence for claims made in the report
- Visit of the 8 major offices of YBL to confirm the data collection processes, record management practices, and check evidence of BRSR related information, physically
- A sample-based assessment of the reliability and quality of information of the company's performance provided in the BRSR report

Responsibility

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YBL is responsible for the preparation and fair presentation of the sustainability information described in the "Scope" above in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders of YBL, giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to YBL and has no financial interest in the operation of YBL other than for the assurance of the sustainability statements contained in the Business Responsibility and Sustainability Report.

This independent assurance opinion statement has been prepared for the stakeholders of YBL for the purposes of verifying its statements relating to BRSR (Annexure II) as notified by SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023), and more particularly described in the Scope above.

This independent assurance opinion statement is prepared based on a review by BSI, of information presented to it by YBL. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by YBL is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team that conducted the assurance has extensive experience in conducting assurance & verification on environmental, social & governance (ESG) topics, and GRI 2021, AA1000AS, ISO 10002, ISO 14001, ISO 45001, ISO 14064, ISO 14068, ISO 50001, SA8000, ISO 9001, etc. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Issue Date: 12-07-2024

For and on behalf of BSI:

BSI Representative
Theuns Kotze, Managing Director– IMETA Assurance

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Appendix A: subject matters within the scope – BRSR Annexure II

BRSR	Type of Assurance
Section A: General disclosures	
IV – Employees 20. Details as at the end of Financial Year: a. Employees and workers (including differently abled) <i>(Assured in accordance with GRI Standards)</i> b. Differently abled Employees and workers 21. Participation/Inclusion/Representation of women <i>(Assured in accordance with GRI Standards)</i> 22. Turnover rate for permanent employees and workers <i>(Assured in accordance with GRI Standards)</i>	Limited
VII – Transparency & Disclosure Compliances 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct <i>(Assured in accordance with GRI Standards)</i>	Limited
Section C: Principle wise Performance Disclosure	
PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains	Limited
P3:E1 - a. Details of measures for the well-being of employees <i>(Assured in accordance with GRI Standards)</i>	Limited
P3:E2 - Details of retirement benefits <i>(Assured in accordance with GRI Standards)</i>	Limited
P3:E5 - Return to work and Retention rates of permanent employees and workers that took parental leave <i>(Assured in accordance with GRI Standards)</i>	Limited
P3:E8 - Details of training given to employees and workers <i>(Assured in accordance with GRI Standards)</i>	Limited
P3:E9 - Details of performance and career development reviews of employees and worker <i>(Assured in accordance with GRI Standards)</i>	Limited
P3:E14 - Assessments for the year	Limited
PRINCIPLE 5 Businesses should respect and promote human rights	
P5:E1 - Employees and workers who have been provided training on human rights issues and policy(ies) of the entity,	Limited
P5:E2 - Details of minimum wages paid to employees and workers	Limited
P5:E3 - Details of remuneration/salary/wages a. Median remuneration / wages	Limited
P5:E6 - Number of Complaints on the following made by employees and workers <i>(Assured in accordance with GRI Standards)</i>	Limited
PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment	
P6:E6 - Please provide details of air emissions (other than GHG emissions) by the entity <i>(Assured in accordance with GRI Standards)</i>	Limited
P6:L2 - Please provide details of total Scope 3 emissions & its intensity <i>(Assured in accordance with GRI Standards)</i>	Limited
PRINCIPLE 8 Businesses should promote inclusive growth and equitable development	
P8:L2 - Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies	Limited
P8:L6 - Details of beneficiaries of CSR Projects	Limited
PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner	
P8:E3 - Number of consumer complaints in respect of the following: Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive Trade Practices, Unfair Trade Practices <i>(Assured in accordance with GRI Standards)</i>	Limited

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Appendix B: List of locations which form the boundary of select (non-core) sustainability information pertaining to the BRSR

S.NO	Location	Description
1	National	8 Major Offices in India (including the Bank's Registered Office, YES BANK House in Mumbai) and 51 Regional Offices 1,234 Branches and 1,290 ATMs across 28 States and 6 Union Territories of India
2	International	- IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT) - Representative office in Abu Dhabi

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INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Yes Bank Limited (YBL).

Holds Statement No.: **BSIV 806794-3**

Introduction

The **British Standards Institution (BSI)** has been engaged by **Yes Bank Limited (YBL)** to provide an independent limited assurance of select non-financial disclosures (described in the "Scope"), included in the Bank's Integrated Annual Report for the period April 1, 2023 to March 31, 2024 (FY 2023-24).

Scope

The scope of engagement agreed upon with YBL includes the following:

BSI has performed an independent limited assurance engagement on whether the select non-financial disclosures in the Bank's Integrated Annual Report for the period April 1, 2023 to March 31, 2024 (FY 2023-24), are fairly presented, in all material respects, in accordance with the reporting criteria (refer table below):

Sustainability information subject to limited assurance	Period subject to assurance	Reporting criteria
Select non-financial disclosures in the Integrated Annual Report	April 1, 2023 to March 31, 2024	- GRI Standards 2021 - Integrated Reporting <IR> Framework 2021

Opinion Statement

We have conducted a limited assurance engagement covering the sustainability information described in the "Scope" above for the period April 1, 2023 to March 31, 2024 (FY 2023-24).

In our opinion, the accompanying sustainability information is fairly presented, in all material respects, in accordance with the reporting criteria stated above.

Based on the processes and procedures conducted as per limited assurance, there is no evidence that the information pertaining to the Bank's economic, environmental, and people related performance, presented

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in the Integrated Annual Report for the period FY 2023-2024 are not materially correct or are not fairly represented.

Methodology

Our assurance engagement was carried out in accordance with ISAE3000 (Revised) assurance standard following the principles of Integrity, Objectivity, Professional competence and due care, Confidentiality and Professional behaviour.

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to YBL policies to confirm the appropriateness of statements made in the report
- Discussion with managers and staff on YBL approach to stakeholder engagement. However, we had no direct contact with external stakeholders
- Interviews with staff involved in sustainability management, Integrated Annual Report preparation, provision of data & information, implementation of controls, etc were carried out
- Document review of relevant systems, policies, controls and procedures where available
- Review of key organizational developments
- Review of the findings of internal audits
- Review of supporting evidence for claims made in the reports
- Visit of the 8 major offices of YBL to confirm the data collection processes, record management practices, and check evidences for non-financial disclosures
- A sample-based assessment of the reliability and quality of information of the company's performance in accordance with the requirements of GRI Standards and <IR> Framework

Conclusions

GRI Standards

YBL provided us with their self-declaration of compliance "In accordance with" the GRI Standards 2021.

Based on our Assessment review, we confirm that the social responsibility and sustainable development disclosures in all 3 categories (Economy, Environment, People) are reported "In accordance with" the GRI Standards 2021.

It is the responsibility of YBL corporate to notify GRI post publishing the report.

In our professional opinion the self-declaration covers YBL's social responsibility and sustainability issues. On the basis of the assessment undertaken, nothing has come to our attention to suggest that the report does not properly describe the following disclosed information –

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A. General disclosures (GRI 2: 2-1 up to 2-30)

B. Materiality related disclosures (GRI 3-1 to GRI 3-3)

C. The following material topic disclosures as identified & stipulated in the GRI Standards -

- GRI 201: Economic Performance 2016 – 201-1, 201-2, 201-3
- GRI 202: Market Presence 2016 – 202-1, 202-2
- GRI 204: Procurement Practices 2016 – 204-1
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3
- GRI 206: Anti-competitive Behaviour 2016 – 206-1
- GRI 302: Energy 2016 – 302-1, 302-2, 302-3, 302-4, 302-5
- GRI 305: Emissions 2016 – 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3
- GRI 402: Employment 2016 – 402-1
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3
- GRI 405: Diversity and Equal Opportunity – 405-1, 405-2
- GRI 406: Non-discrimination 2016 – 406-1
- GRI 413: Local Communities 2016 – 413-1, 413-2
- GRI 417: Product Labeling 2016 – 417-1, 417-2, 417-3
- GRI 418: Customer Privacy 2016 – 418-1

D. The following non-material topic disclosures from the GRI Standards -

- GRI 207: Tax 2016 – 207-1, 207-2, 207-3, 207-4
- GRI 303: Water and Effluents 2018 – 303-1, 303-2, 303-3, 303-4, 303-5
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3, 306-4, 306-5
- GRI 403: Occupational Health and Safety 2018 – 403-1, 403-2, 403-3, 403-8, 403-9, 403-10

Integrated Reporting <IR> framework

YBL provided us with their self-declaration of compliance in accordance with the Integrated Reporting <IR> framework, 2021.

Based on our Assessment review, we confirm that the information contained within the report adheres to the 7 Guiding Principles of (A) Strategic focus and future orientation (B) Connectivity of information (C) Stakeholder relationships (D) Materiality (E) Conciseness (F) Reliability and completeness (G) Consistency and comparability.

We confirm that the Integrated Report answers the questions posed within the 8 Content Elements of the <IR> framework viz. (A) Organizational overview and external environment (B) Governance (C) Business

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model (D) Risks and opportunities (E) Strategy and resource allocation (F) Performance (G) Outlook (H) Basis of preparation and presentation.

The report chapters have included content to the best possible ability about the -

- (i) processes through which the Value is created, preserved or eroded
- (ii) 6 Capitals – financial, manufactured, intellectual, human, social & relationship, natural
- (iii) their complexity interdependencies & trade-offs,
- (iv) timeframes for short, medium and long-term
- (v) aggregation and disaggregation of data and information

The YBL integrated annual report is found to be in accordance with the <IR> framework 2021.

In our professional opinion the self-declaration covers YBL's social responsibility and sustainability issues. Based on the assessment undertaken, nothing has come to our attention to suggest that the Report does not properly describe the disclosed information mandated under clauses 1.12, 1.17, 1.18, 1.20, 3.3, 3.6, 3.10, 3.17, 3.36, 3.39, 3.54, 4.4, 4.8, 4.10, 4.24, 4.28, 4.31, 4.35 and 4.41 (as duly compiled & described within the Appendix-summary of requirements of the <IR> framework).

Responsibility

YBL is responsible for the preparation and fair presentation of the sustainability information described in the "Scope" above in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders of YBL, giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to YBL and has no financial interest in the operation of YBL other than for the assurance of the sustainability statements contained in the Integrated Annual Report.

This independent assurance opinion statement has been prepared for the stakeholders of YBL for the purposes of verifying its statements relating to the Scope mentioned above.

This independent assurance opinion statement is prepared based on review by BSI, of information presented to it by YBL. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by YBL is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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The British Standards Institution
Incorporated by Royal Charter
Registered in India: CIN U74899DL1999PTC101381





bsi.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team that conducted the assurance has extensive experience in conducting assurance & verification over environmental, social & governance (ESG), and GRI Standards 2021, AA1000AS, ISO10002, ISO 14001, ISO 45001, ISO 14064, ISO 14068, ISO 50001, and ISO 9001, etc. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Issue Date: 12-07-2024

For and on behalf of BSI:



BSI Representative
Theuns Kotze, Managing Director– IMETA Assurance

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Appendix A: List of locations which form the boundary of select non-financial disclosures in the Bank's Integrated Annual Report

S.NO	Location	Description
1	National	8 Major Offices in India (including the Bank's Registered Office, YES BANK House in Mumbai) and 51 Regional Offices 1,234 Branches and 1,290 ATMs across 28 States and 6 Union Territories of India
2	International	- IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT) - Representative office in Abu Dhabi

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INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Yes Bank Limited (YBL).

Holds Statement No.: **BSIV 806794-4**

Introduction

The **British Standards Institution (BSI)** has conducted a limited assurance engagement on the sustainability related information (detailed in the "Scope") mentioned in the Principles of Responsible Banking (PRB) Self Assessment Report of **Yes Bank Limited (YBL)**, for the period April 1, 2023 to March 31, 2024 (FY 2023-24)

Scope

The scope of engagement agreed upon with YBL includes the following:

The assurance covers the disclosures about sustainability related information on "2.3 Target Implementation and Monitoring" under "Principle 2 – Impacts & Targets Setting" as disclosed in the Principles of Responsible Banking (PRB) Self Assessment Report of the BANK, for the period April 1, 2023 to March 31, 2024 (FY 2023-24).

BSI has performed a limited assurance engagement on whether the Bank's disclosures about its performance on its targets in the PRB report are fairly presented, in all material respects in accordance with the reporting criteria (refer table below).

Sustainability information subject to limited assurance	Period subject to assurance	Reporting criteria
Sustainability related information on "2.3- Target Implementation and Monitoring" under "Principle 2 – Impacts & Targets Setting" as disclosed in the Principles of Responsible Banking (PRB) Self Assessment Report	April 1, 2023 to March 31, 2024	- Reporting and Self Assessment Template, Version 2, September 2022, issued by UNEP FI - Guidance Documents for Banks on Reporting, February 2021, issued by UNEP FI - PRB Guidance Document, November 2021, issued by UNEP FI

The independent limited assurance covers performance disclosed in section "2.3- Target Implementation and Monitoring" against targets set by the BANK in FY 2022-23 against Principle 2 of the PRB, disclosed in section "2.2 Target Setting" of the Bank's PRB self assessment report for FY 2023-24

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A) Climate Change:

Target: To reduce 50% emissions intensity of electricity generation portfolio by FY 2032 from baseline of FY 2022. **KPI:** Track emission intensity tCO₂/MWh annually

B) Financial Inclusion:

Target 1: 20% Year on Year (YoY) increase in number of women beneficiaries till FY 2026 on a baseline of 7.6 lakh women beneficiary in FY 2023. **KPI:** Track Women beneficiaries annually

Target 2: To achieve 25% Year on Year (YoY) increase in annual disbursements to Women microfinance borrowers till FY 2026 on a baseline of 1495 cr in FY 2023. **KPI:** Track annual loan disbursement amount

The selected information is reported in accordance with the guidelines of Principles of Responsible Banking (PRB).

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above.

Based on the processes and procedures conducted as per limited assurance, there is no evidence that the accompanying information is not materially correct and is not fairly represented in accordance with the reporting criteria stated above.

Methodology

Our assurance engagement was carried out in accordance with the ISAE3000 (Revised) assurance standard following the principles of Integrity, Objectivity, Professional competence and due care, Confidentiality and Professional behaviour.

Our work has been carried out in accordance with the requirements laid out in 'Guidance for assurance providers for providing limited assurance for reporting Principles of Responsible Banking' Version 2, November 2022, issued by UNEP FI

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to Yes Bank Limited (YBL) policies to provide a check on the appropriateness of statements made in the report.
- Interviews with staffs involved in sustainability management, PRB report preparation, provision of data & information, implementation of controls, etc were carried out.
- Document review of relevant systems, policies, controls and procedures where available.
- Review of key organizational developments.
- Review of supporting evidence for claims made in the reports.

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- Visit of the main office of Yes Bank Limited (YBL) to confirm the data collection processes, record management practices, and check physically.
- A sample-based assessment of the reliability and quality of information of the company's performance provided in the report.

Conclusions

Sustainability related information on "2.3 Target Implementation and Monitoring" under "Principle2 – Impacts & Targets Setting" as disclosed in the Principles of Responsible Banking (PRB) Self Assessment Report of the BANK, for the period April 1, 2023 to March 31, 2024 (FY 2023-24) presented for verification had no technical/compilation errors, which were sought to be identified during the sampling process in stage1 and reverified in the final stage2 submission.

Based on the processes and procedures conducted with limited assurance, there is no evidence that the following Impacts data associated with the Targets set against baseline year, are not materially correct and are not a fair representation of their performance.

Climate Change: Progress on targets: On track

- 1) In FY24, Emission intensity of electricity generation portfolio was 0.479 tCO₂/MWh which is well within the trajectory to achieve target (~24% lower compared to the base year FY22)

Financial Inclusion: Progress on targets: Lagging

- 1) In FY24, Bank has reached 6.56 Lakh women beneficiaries (~14% lower compared to base year FY23)
- 2) In FY 24, overall disbursement to women beneficiary has increased, with Bank's lending totalling INR 1781 Cr (~20% higher compared to base year FY23).

Responsibility

Yes Bank Limited (YBL) is responsible for the preparation and fair presentation of the sustainability information described in the "Scope" above in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders of Yes Bank Limited (YBL), giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to Yes Bank Limited (YBL) and has no financial interest in the operation of Yes Bank Limited (YBL) other than for the assurance of the sustainability statements contained in the PRB report.

This independent assurance opinion statement has been prepared for the stakeholders of Yes Bank Limited (YBL) for the purposes of verifying its statements relating to Principle 2 - Impacts & Targets Setting (as mentioned within the Principles of Responsible Banking), more particularly described in the Scope above.

This independent assurance opinion statement is prepared based on review by BSI, of information presented to it by Yes Bank Limited (YBL). In making this independent assurance opinion statement, BSI has assumed that all information provided to it by Yes Bank Limited (YBL) is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

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BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team that conducted the assurance has extensive experience in conducting assurance & verification over environmental, social & governance (ESG), and GRI Universal Standard 2021, AA1000AS, ISO 10002, ISO 14001, ISO 45001, ISO 14064, ISO 14068, ISO 50001, ISO 9001, etc. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Issue Date: 12-07-2024

For and on behalf of BSI:

BSI Representative
Theuns Kotze, Managing Director– IMETA Assurance

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GRI Content Index

Boundary Setting of Material Topics

S. No	Material Topic	GRI Indicator
1	Governance and Compliance	417-1 Requirements for product and service information and labeling
		417-2 Incidents of non-compliance concerning product and service information and labeling
		417-3 Incidents of non-compliance concerning marketing communications
2	Business Ethics	205-1 Operations assessed for risks related to corruption
		205-2 Communication and training about anti-corruption policies and procedures
		205-3 Confirmed incidents of corruption and actions taken
		206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
		417-1 Requirements for product and service information and labeling
		417-2 Incidents of non-compliance concerning product and service information and labeling
		417-3 Incidents of non-compliance concerning marketing communications
3	Data Security & Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
4	Digital Innovation	201-1 Direct economic value generated and distributed
5	Customer Relations	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
6	Employment Practice	201-3 Defined benefit plan obligations and other retirement plans
		202-1 Ratios of standard entry level wage by gender compared to local minimum wage
		202-2 Proportion of senior management hired from the local community
		401-1 New employee hires and employee turnover
		401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees
		401-3 Parental leave
		402-1 Minimum notice periods regarding operational changes
		404-1 Average hours of training per year per employee
		404-2 Programmes for upgrading employee skills and transition assistance programmes
		404-3 Percentage of employees receiving regular performance and career development reviews
		405-1 Diversity of governance bodies and employees
		405-2 Ratio of basic salary and remuneration of women to men
		406-1 Incidents of discrimination and corrective actions taken
7	Progress on Profitability	201-1 Direct economic value generated and distributed
8	Climate Action	201-2 Financial implications and other risks and opportunities due to climate change
		305-1 Direct (Scope 1) GHG emissions
		305-2 Energy indirect (Scope 2) GHG emissions
		305-3 Other indirect (Scope 3) GHG emissions
		305-4 GHG emissions intensity
		305-5 Reduction of GHG emissions
		305-6 Emissions of ozone-depleting substances (ODS)
9	Financial Inclusion	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
		413-1 Operations with local community engagement, impact assessments, and development programmes
10	Operational eco-efficiency	413-2 Operations with significant actual and potential negative impacts on local communities
		302-1 Energy consumption within the organisation
		302-2 Energy consumption outside of the organisation
		302-3 Energy intensity
		302-4 Reduction of energy consumption
		302-5 Reductions in energy requirements of products and services
		305-1 Direct (Scope 1) GHG emissions
		305-2 Energy indirect (Scope 2) GHG emissions
		305-3 Other indirect (Scope 3) GHG emissions
		305-4 GHG emissions intensity
		305-5 Reduction of GHG emissions
		305-6 Emissions of ozone-depleting substances (ODS)
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
11	Sustainable Finance	201-2 Financial implications and other risks and opportunities due to climate change

Statement of use	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2023-24				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standards(s)	Not Applicable				
GRI Standard	Disclosure	Materiality	Disclosure Level	References (Pg No.)	Reason for Omission/Explanation
General Disclosures 2021					
GRI 2: General Disclosures 2021	2-1 Organisational Details	Material	●	4, 321, 328, 329, 391	
	2-2 Entities included in the organisation's sustainability reporting	Material	●	4	
	2-3 Reporting period, frequency and contact point	Material	●	4, 5	
	2-4 Restatements of information	Material	●	5, 354, 355, 358	
	2-5 External assurance	Material	●	5, 520	
	2-6 Activities, value chain and other business relationships	Material	●	32, 47, 50, 103, 218, 329	
	2-7 Employees	Material	●	133, 150, 329	
	2-8 Workers who are not employees	Material	●	150	
	2-9 Governance structure and composition	Material	●	95, 99, 275, 276, 277, 282, 283, 285, 326	
	2-10 Nomination and selection of the highest governance body	Material	●	96, 97, 277, 284	
	2-11 Chair of the highest governance body	Material	●	277	
	2-12 Role of the highest governance body in overseeing the management of impacts	Material	●	97	
	2-13 Delegation of responsibility for managing impacts	Material	●	99	
	2-14 Role of the highest governance body in sustainability reporting	Material	●	82	
	2-15 Conflicts of interest	Material	●	94, 247, 321	
	2-16 Communication of critical concerns	Material	●	82, 253, 296, 463	
	2-17 Collective knowledge of the highest governance body	Material	●	335	
	2-18 Evaluation of the performance of the highest governance body	Material	●	99, 248	
	2-19 Remuneration policies	Material	●	98, 249, 291	
	2-20 Process to determine remuneration	Material	●	98, 249	
	2-21 Annual total compensation ratio	Material	●	98	
	2-22 Statement on sustainable development strategy	Material	●	8, 12	
	2-23 Policy commitments	Material	●	94, 105, 106, 108, 109, 111, 115, 121, 125, 130, 163, 173, 185, 195	



GRI CONTENT INDEX

Statement of use	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2023-24
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not Applicable

GRI Standard	Disclosure	Materiality	Disclosure Level	References (Pg No.)	Reason for Omission/ Explanation
	2-24 Embedding policy commitments	Material	●	94, 105, 111, 115, 121, 130, 163, 173, 185, 195	
	2-25 Processes to remediate negative impacts	Material	●	83, 84, 85, 86, 87	
	2-26 Mechanisms for seeking advice and raising concerns	Material	●	83, 84, 85, 86, 87	
	2-27 Compliance with laws and regulations	Material	●	336	
	2-28 Membership associations	Material	●	363	
	2-29 Approach to stakeholder engagement	Material	●	82	
	2-30 Collective bargaining agreements	Material	⊖	150	The Bank does not have collective bargaining agreements. All YES BANK employees are free to exercise the lawful rights to Freedom of Association

Material Topics 2021

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material	●	88	
	3-2 List of material topics	Material	●	89	
	3-3 Management of material topics	Material	●	93, 105, 111, 115, 121, 129, 153, 163, 173, 185, 195	

Topic Standards

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Material	●	160	
	201-2 Financial implications and other risks and opportunities due to climate change	Material	●	162, 165, 166, 170	
	201-3 Defined benefit plan obligations and other retirement plans	Material	●	147	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Material	●	150	
	202-2 Proportion of senior management hired from the local community	Material	●	150	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Material	●	150, 364	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Material	●	108	
	205-2 Communication and training about anti-corruption policies and procedures	Material	●	105, 108	
	205-3 Confirmed incidents of corruption and actions taken	Material	●	108, 109, 338	

● Fulfills disclosure requirements

● Partially fulfills disclosure requirements

⊖ Not Applicable

Statement of use	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2023-24				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standards(s)	Not Applicable				
GRI Standard	Disclosure	Materiality	Disclosure Level	References (Pg No.)	Reason for Omission/Explanation
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Material		363	
GRI 207: Tax 2019	207-1 Approach to tax	Not Material		102	
	207-2 Tax governance, control, and risk management	Not Material		102	
	207-3 Stakeholder engagement and management of concerns related to tax	Not Material		102	
	207-4 Country-by-country reporting	Not Material		102	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Material		187, 353	
	302-2 Energy consumption outside of the organisation	Material		188	
	302-3 Energy intensity	Material		187, 353	
	302-4 Reduction of energy consumption	Material		186	
	302-5 Reductions in energy requirements of products and services	Material		191	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Not Material		191	
	303-2 Management of water discharge-related impacts	Not Material		191	
	303-3 Water withdrawal	Not Material		354	
	303-4 Water discharge	Not Material		354	
	303-5 Water consumption	Not Material		354	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Material		187, 356	
	305-2 Energy indirect (Scope 2) GHG emissions	Material		187, 356	
	305-3 Other indirect (Scope 3) GHG emissions	Material		187, 360	
	305-4 GHG emissions intensity	Material		187, 356	
	305-5 Reduction of GHG emissions	Material		186	
	305-6 Emissions of ozone-depleting substances (ODS)	Material		188	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Material		188	



GRI CONTENT INDEX

Statement of use	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2023-24				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standards(s)	Not Applicable				
GRI Standard	Disclosure	Materiality	Disclosure Level	References (Pg No.)	Reason for Omission/Explanation
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Not Material		190	
	306-2 Management of significant waste-related impacts	Not Material		190	
	306-3 Waste generated	Not Material		357	
	306-4 Waste diverted from disposal	Not Material		357	
	306-5 Waste directed to disposal	Not Material		357	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Material		136, 150, 151	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Material		150, 341, 400	
	401-3 Parental leave	Material		142	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Material		150, 151	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Not Material		143	
	403-2 Hazard identification, risk assessment, and incident investigation	Not Material		143	
	403-3 Occupational health services	Not Material		143	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Not Material			The Bank operates in the banking and finance services sector and does not have workers
	403-5 Worker training on occupational health and safety	Not Material			
	403-6 Promotion of worker health	Not Material			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not Material			
	403-8 Workers covered by an occupational health and safety management system	Not Material		143	
	403-9 Work-related injuries	Not Material		345	
	403-10 Work-related ill health	Not Material		345	

Statement of use	YES BANK Limited has reported in accordance with the GRI Standards for the period FY 2023-24				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standards(s)	Not Applicable				
GRI Standard	Disclosure	Materiality	Disclosure Level	References (Pg No.)	Reason for Omission/ Explanation
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Material		138, 141	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Material		137, 347	
	404-3 Percentage of employees receiving regular performance and career development reviews	Material		146, 344	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Material		95, 133	
	405-2 Ratio of basic salary and remuneration of women to men	Material		134	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Material		351	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Material		180	The Bank is yet to undertake any social impact assessments of its financial inclusion and community development initiatives.
	413-2 Operations with significant actual and potential negative impacts on local communities	Material		180	Being a part of service sector, the bank does not pose any significant actual/potential negative impact on local communities
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Material		366	Given the Bank's nature of business as a service sector enterprise and a financial institution, the Bank does not offer products which are required to carry information about environmental parameters
	417-2 Incidents of non-compliance concerning product and service information and labeling	Material		308, 368	
	417-3 Incidents of non-compliance concerning marketing communications	Material		124	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Material		113	

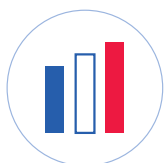


Task Force on Climate-related Financial Disclosures (TCFD) Index

Pillars	Disclosure	Report Section (Page No.)
Governance	Board's oversight of climate-related risks and opportunities	77-79, 99
	Management's role in assessing and managing climate-related risks and opportunities	
Strategy	Climate-related risks and opportunities identified over the short, medium and long term	77-79, 165, 171, 194-203
	Impact of climate-related risks and opportunities on the Bank's businesses, strategy and financial planning	77-79, 165, 171, 194-202
	Resilience of the Bank's strategy, considering different climate-related scenarios, including a 2°C or lower scenario	168-170
Risk Management	The Bank's processes for identifying and assessing climate related risks	88-89, 162, 165
	The Bank's processes for managing climate-related risks	166-171, 194-202
	How processes for identifying, assessing and managing climate-related risks are integrated into the Bank's overall risk management	77-79
Metrics and Targets	Metrics used by the Bank to assess climate-related risks and opportunities in line with its strategy and risk management process	163, 168-169, 185-186, 195, 199, 200
	Scope 1, Scope 2 and, Scope 3 greenhouse gas emissions, and related risks	187-188
	The Bank's targets to manage climate-related risks and opportunities and its performance	163, 185

Principles of Responsible Banking: Self Assessment Report

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

YES BANK is a high quality, customer-centric, service-driven bank catering to the Future Businesses of India. The Bank has grown into a 'full service commercial bank' offering a comprehensive suite of products and services to its corporate, MSME and retail customers. Customer-centric and service driven since its inception in 2004, the Bank is taking confident strides into the future by blending its wide physical reach with digital capabilities to provide differentiated offerings, in line with India's evolving banking needs. Reinforcing its commitment to the highest standards of compliance and governance, YES BANK is paving the path to sustainable value creation with a recapitalised balance sheet and a recalibrated strategy. With marquee financial institutions as partners and customer-centricity at heart, YES BANK is strengthening its core to deliver an enhanced banking experience with a 'digital first' approach, in line with its strategy of building a 'Digital Bank'.

YES BANK is the 6th Largest Private Sector, Universal Bank offering comprehensive suite of product and services via its pan India network of 1,234 branches, 219 BCBO and 1290 ATMs (including CRMs and BNAs) in over 300 districts of India

At the end of FY 2024, the composition of the portfolio was 62% Retail & SME, 15% Medium Enterprises, and 23% Corporate

References:

Website:

About us, → <https://www.yesbank.in/about-us/>

Website:

Investor presentation, Page 2

 https://www.yesbank.in/pdf?name=yesbank_q4_fy24_investor_presentation.pdf



PRINCIPLES OF RESPONSIBLE BANKING

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes

☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☐ UN Guiding Principles on Business and Human Rights
- ☐ International Labour Organisation fundamental conventions
- ☒ UN Global Compact
- ☐ UN Declaration on the Rights of Indigenous Peoples
- ☒ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: "Business Responsibility and Sustainability Report"
- ☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: "Business Responsibility and Sustainability Report"
- ☐ None of the above

YES BANK aims 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 performance, ecological sustainability and social development go hand in hand, the Bank continuously endeavours to harmonize its actions and assess its performance across the three areas with an objective to minimize negative impacts and maximize positive. The Bank works and interacts with several forms of capital to create value in the course capitals, the Bank strives to create value in a responsible and transparent manner, in line with the goals set forth by frameworks such as the National Guidelines for Responsible Business Conduct (NGRBC), the UN Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the Principles of Responsible Banking (PRB). SEBI has mandated the filing of Business Responsibility and Sustainability Report (BRSR) for the top 1000 listed companies (by market capitalisation) replacing the existing BRR with effect from the financial year 2022-2023. As the Bank is among the top 1000 listed companies, The Bank is publishing Business Responsibility and Sustainability Report (BRSR) for FY 2023-24 to further strengthen its ESG reporting.

References:

Integrated Report 2023-24: Our Value Creation Model: → Page 90-91

Integrated Report 2023-24: Natural: → Page 90

Integrated Report 2023-24: Social & Relationship: Page → 90

Integrated Report 2023-24: ESG Strategy: → Page 67

Integrated Report 2023-24: Financial inclusion: → Page 172-183

Integrated Report 2023-24: Yes Foundation: → Page 179

Business Responsibility & Sustainability Report: → Page 328

Website:

Sustainable financing:

<https://www.yesbank.in/about-us/sustainability-at-yes-bank/sustainable-finance>

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

- a) Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

In FY2021-22, In line with PRB requirement YES BANK used UNEP FI PRB Portfolio Impact Assessment tool v2, (published on July 16, 2021) to assess its entire lending (Corporate, Retail and MSME) portfolio & all Retail product suite(as of December 31, 2021) and identified the sub-portfolio's positive and negative impact areas.

The scope for the impact assessment, segment wise is provided below:

- Scope for Corporate Banking (constituting 42.6% of total advances): 91% of corporate banking advances were included (due to limitation in the tool to 30 ISIC sectors)
- Scope for MSME- (constituting 23.7% of advances): 99% of MSME advances (due to limitation in the tool to 30 ISIC sectors)
- Scope for Consumer Banking: All consumer banking product suite included liabilities (CASA, FD, other services) and assets (Home loans, Vehicle Loans etc). (Retail assets constituted 33.7% of total advances)

- b) Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- by products & services and by types of customers for consumer and retail banking portfolios. If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

References:

Integrated Report 2022-23:
Stakeholder Engagement &
Materiality Assessment: → Page 70

Integrated Report 2022-23:
Impact analysis of portfolio against
Sustainable Development Goals
(SDGs): → Page 149

¹That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

²Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

³'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.



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For the impact assessment, the bank has considered composition of its portfolio. The Bank had to take an extensive exercise of mapping the International Standard Industrial Classification (ISIC) and Basic Statistical Return (BSR) codes, and then, preparing the portfolio for the assessment using the tool.

The Bank discloses composition of its portfolio sector & industry wise in its BASEL disclosures (regulatory disclosure) and Investor Presentations.

References:

BASEL III Disclosure: Page 13-15



https://www.yesbank.in/pdf?name=ybl_basel_pillar_disclosures_as_at_june_30_2023.pdf



Investor Presentation: Page 12



https://www.yesbank.in/pdf?name=yes_bank_investors_ppt_q3fy21_22.pdf



- c) Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

To understand and take into account India's environmental, social, and economic context, in which the bank operates, bank has utilized the tool to identify the level of need at national level, with regards to 22 impact categories. Climate Change, Inclusive Healthy economies, Biodiversity, Air, Water and Economic Convergence were assessed to be amongst most significant impact areas where India's country needs are high.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritise to pursue your target setting strategy (see 2.2)⁵? Please disclose.

Considering the scope, scale of exposure, context and relevance, the most significant impact area are the following:

- Climate Change (Negative)
- Inclusive and Healthy Economy (Positive and Negative)
- Biodiversity (Negative)
- Economic Convergence (Positive)

The Bank has identified and prioritised Climate Change and Financial Inclusion as significant areas, to pursue focussed approach driven by specific, measurable, actionable, relevant and time bound targets, in consultation with top management.

References:

Integrated Report 2022-23:
Portfolio Impact Assessment and Targets: → Page 149

⁴Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁵To prioritise the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

d) For these (min. two prioritised impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Climate Change: While, climate change cuts across the portfolio as a significant impact area, Bank has identified climate sensitive sectors and is taking a sectoral approach to measure financed emission of its carbon intensive sectors. As a starting point, the Bank has specifically focussed on its energy exposure, as the sector is at the center stage for the climate action globally. The Bank has analyzed the financed emission intensity in energy sector and developed internal targets to reduce the sectoral emission intensity, in line with global de-carbonisation pathways.

Bank has also taken cognizance of the positive impact opportunities arising out of low carbon transition and is focussing on its portfolio in Renewable energy and Electric Vehicle.

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, centered around its Environment and Social Policy.

Financial Inclusion: Bank has a significant Retail portfolio because of which financial inclusion is emerging as a significant impact area. YES BANK has been employing three pronged approach to address the challenge of financial inclusion in Indian Context:

- Credit led approach- YES BANK is working towards increasing credit access to women to reduce the gender inequality and to contribute significantly towards strengthening women entrepreneurship and empowerment
- Remittances led approach- YES BANK is one of the pioneer banks which started domestic money transfer under its flagship programme YES Money. YES Money has developed a unique platform to meet the remittance

References:

Integrated Report 2022-23:
Integrating E&S Considerations into
Lending: → Page 113

Integrated Report 2022-23:
Portfolio Impact Assessment and
Targets: → Page 149

Integrated Report 2022-23: Financed
Emissions: → Page 119

Integrated Report 2022-23:
Financial inclusion and Social
Financing: → Page 130



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need of migrants, unbanked and under-banked population in India. This product design brings technology to the end user through the Business Correspondent Agents and simultaneously ensures a technology oblivious experience for the end user. This cash to Bank A/c remittance service is offered across more than fifty thousand outlets pan India

- Liability led approach- Bank is focusing on extending its reach and access into rural unbanked areas by deepening its distribution channels through Business Correspondent (BC) branches and BC managed Banking outlets (BCBO). Through its BCBO network Bank is providing liability products (Basic Savings Bank Deposit Account (BSBDA) and Pradhan Mantri Jan Dhan Yojana Account (PMJDY)) to the rural unbanked population

While enhancing access of financial products as part of financial inclusion, it is important to avoid or mitigate potential overindebtedness of the underserved or unbanked communities. For this, Bank has instituted frameworks and measures to ensure that such borrowers are provided loans in a responsible manner and given the tools and information they need to succeed in repaying, while avoiding negative impact on their wellbeing.

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	☒ Yes	☐ In progress	☐ No
Portfolio composition:	☒ Yes	☐ In progress	☐ No
Context:	☒ Yes	☐ In progress	☐ No
Performance measurement:	☒ Yes	☐ In progress	☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, financial health & inclusion,

How recent is the data used for and disclosed in the impact analysis?

☐ Up to 6 months prior to publication	☐ Up to 12 months prior to publication
☒ Up to 18 months prior to publication	☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

⁶You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Climate Change: YES Bank was the first Bank in India to use the Science Based Targets initiative (SBTi) methodology to measure and report its financed emissions and commit to aligning its electricity generation sector exposure to global decarbonisation pathways in line with Paris Agreement.

References:

Integrated Report 2022-23:
Portfolio Impact Assessment and
Targets: → Page 149

Financial Inclusion: The National Strategy for Financial Inclusion 2019-2024 identifies Women with credit Product as one of the focus areas. In alignment with the same, BANK is focussing on Women microfinance borrowers.

- b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these

⁷Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.



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Climate Change (A 4.1- Reduction of GHG Emissions):

For electricity generation portfolio, the Bank has used sectoral decarbonisation approach by SBTi to establish interim targets in line with well below 2 degree scenario, striving for 1.5 degree scenario taking FY 22 as base year.

Financial Inclusion (C 2.3 - New Customers Per Month): YES LEAP has been able to contribute significantly towards strengthening women entrepreneurship and empowerment in rural areas of India. Bank has taken a baseline of FY 23 to set its target.

References:

Integrated Report 2022-23: Financed Emissions: [→](#) Page 119

- c) SMART targets (incl. key performance indicators (KPIs)⁹):** Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Climate Change:

Target: To reduce 50% emissions intensity of electricity generation portfolio by FY 2032 from baseline of FY 2022

KPI: Track emission intensity tCO₂e/MWh annually

Financial Inclusion:

Target 1: 20% Year on Year (YoY) increase in number of women beneficiaries till FY 2026 on a baseline of 7.6 lakh women beneficiary in FY 2023

KPI: Track Women beneficiaries annually

Target 2: To achieve 25% Year on Year (YoY) increase in annual disbursements to Women microfinance borrowers till FY 2026 on a baseline of 1,495 crore in FY 2023

KPI: Track annual loan disbursement amount

References:

Integrated Report 2022-23: Financed Emissions: [→](#) Page 119

Integrated Report 2022- 23: Financial inclusion and Social Financing: [→](#) Page 130

Integrated Report 2022- 23: Portfolio Impact Assessment: [→](#) Page 150

⁹Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Climate Change: Bank is in the process of measuring financed emission of other climate intensive sectors, basis availability of the data portfolio alignment targets will be taken.

The Bank has developed 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.

Financial Inclusion: Action plan includes expansion of existing BCs, empaneling new BC partners and increase in ticket size of existing customer base

Bank is addressing impacts of the burden of overindebtedness, by putting in mitigation measures such as household income assessment and credit score before sanctioning and disbursement of loan. Bank also conducts training sessions prior to sanction and disbursement of loan.

References:

Integrated Report 2022-23: Financed Emissions: → Page 119

Integrated Report 2022-23: Financial inclusion and Social Financing: → Page 130

Integrated Report 2022- 23: Portfolio Impact Assessment: → Page 150

Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (Climate Change)	... second area of most significant impact: ... (Financial Inclusion)	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	☒ Yes ☐ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☐ No
Baseline	☒ Yes ☐ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☐ No
SMART targets	☒ Yes ☐ In progress ☐ No	☒ Yes ☐ In progress ☐ No	☐ Yes ☐ In progress ☐ No
Action plan	☐ Yes ☒ In progress ☐ No	☐ Yes ☒ In progress ☐ No	☐ Yes ☐ In progress ☐ No



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2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Climate Change:

Progress on Targets: On Track

- In FY24, Emission intensity of electricity generation portfolio was 0.479 tCO₂e/MWh which is well within the trajectory to achieve target (~24% lower compared to the base year FY22)

References:

Integrated Report 2023-24: Financed Emissions: → Page 168

Financial Inclusion:

Progress on Targets: Lagging

- In FY24, Bank has reached 6.56 lakh women beneficiaries which is ~14% lower than FY23
- In FY 24, overall disbursement to women beneficiary has increased, with Bank's lending totalling to ₹ 1,781 crore (~20% higher compared to base year FY23).

References:

Integrated Report 2023-24: Financial Inclusion → Page 172-173

The Bank has revamped its loan origination system (LOS) for microfinance to comply with the revised regulatory guidelines, This technological transition has resulted in system constraints which has impacted the business, with lower than expected accretion and retention of women beneficiaries and subsequent disbursement

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

The Bank is committed to ensure sustainable and responsible relationship with its clients and customers, as highlighted by its "CODE OF BANK'S COMMITMENT TO CUSTOMERS" and "CHARTER OF CUSTOMER'S RIGHTS". The Bank strives to provide superior and seamless customer service experience to enhance its service proposition.

The Bank works with and supports its customers in adoption of sustainable practices through its innovative products, initiatives and knowledge Banking Approach.

References:

Website: Code of Bank's Commitment to Customers

 https://www.yesbank.in/pdf/ybl_cc_bci_bi_pdf

Website: Charter Of Customer Rights

 https://www.yesbank.in/pdf/charter_of_custom_rights

Website: YES BANK's Environment & Social Risk Management System

 https://www.yesbank.in/pdf?name=yb_esrms.pdf

¹⁰A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.



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- **Innovative Products/instruments:** Green Bonds
- **Environment and Social Policy:** The Bank conducts due diligence (in line with equator principles and IFC Performance Standards) and develops time-bound corrective action plans with corporate clients who are rated as carrying significant ESG risk. This way the Bank tries to positively influence borrowers by engaging them in adopting appropriate sustainable practices to meet higher ESG industry expectations
- **Awareness Initiatives:** Financial literacy
- **Knowledge Banking Approach:**
 - Sustainable Finance Unit with strategic focus on ESG,
 - Specialised Corporate & Government Advisory (CGA)
 - Food & Agribusiness Strategic Advisory & Research (FASAR)
 - Business Economic Banking (BEB)

Integrated Report 2023-24:
Environment and Social
Policy: → Page 163

Integrated Report 2023-24:
Customer Centricity and Digital
Solutions: → Page 15

Integrated Report 2023-24:
Disclosures under green infra
bonds: → Page 251

Integrated Report 2023-24: Financial
inclusion: → Page 172-183

Integrated Report 2023-24: Advocacy
and knowledge sharing on climate
and sustainable finance: → Page 201

Integrated Report 2023-24:
Regulatory bodies, Industry &
Peers: → Page 83, 86

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Climate Change:

Green Finance: YES BANK has identified low carbon transition opportunities. In Wholesale Banking segment BANK is focussing on Renewable Energy financing. In Retail Banking segment it had identified the opportunities in Electric Vehicle sector.

Green Credit Lines: 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.

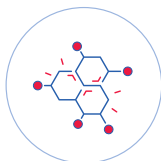
Financial Inclusion: YES LEAP has been able to contribute significantly towards strengthening women entrepreneurship and empowerment in rural areas of India.

References:

Integrated Report 2023-24:
Financial inclusion: → Page 172-183

Integrated Report
2023-24: Transition to low
carbon: → Page:171

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Client engagement

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

YES BANK interacts with a varied set of stakeholders who play an indispensable role in the Bank's journey of value creation. YES BANK has identified the 9 groups as key stakeholders (Such as Investors, Employees, Regulatory Bodies, Competitors, Customers, Communities etc). The Bank continually engages and consults its key stakeholders through a combination of structured, and need-based engagement mechanisms to address their grievances and incorporate their feedback into its overall business strategy.

YES BANK also looks into market trends, ESG frameworks and standards (TCFD, CDP etc), ESG ratings and is part of ESG steering committee of Indian Banks Association to drive sustainability agenda into banking sector of the country.

The Bank continues to engage with its stakeholders through an amalgamation of several pre-determined, structured, and need based engagement mechanisms.

Stakeholders

A few notable engagement initiatives includes: Knowledge Reports Policy Advocacy to co create an enabling ecosystem Bank also supports its stakeholders through Knowledge Banking Approach:

- Sustainable Finance Unit with strategic focus on ESG
- Specialised Corporate & Government Advisory (CGA)
- Food & Agribusiness Strategic Advisory Research (FASAR)
- Business Economic Banking (BEB)

References:

Integrated Report 2023-24: Stakeholder Engagement & Materiality Assessment: → Page 82

Integrated Report 2023-24: Advocacy and knowledge sharing on climate and sustainable finance: → Page 201

Integrated Report 2023-24: Integrating ESG considerations into supply chain: → Page 109

Integrated Report 2023-24: Regulatory bodies, Industry & Peers: → Page 83, 86

¹²Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organisations



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Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

The Bank is reviewing its ESG, Climate and Sustainable Development strategy at the Board level with following governance structure:

Board Level Committee: In FY 2021-22, the Bank strengthened its ESG governance by constituting a Board level, Corporate Social Responsibility and Environmental Social & Governance Committee to oversee the Sustainability Council (Management level committee) and guide the Bank's overall ESG agenda (which includes UNEP FI's Responsible Banking principles).

Management Level Committee: The Bank has constituted an Executive level Sustainability Council chaired by the MD & 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 (which includes UNEP FI's Responsible Banking principles Impact assessment and target setting approach and approval). The CFO, which is the highest management-level executive (Head of the Sustainable Finance & Reporting team at the bank) is also entrusted as the custodian of implementation of the Bank's Climate Strategy and reports directly into the MD & CEO. The CFO is responsible for implementation of UNEP FI's Responsible Banking principles and managing day-to-day issues regarding ESG.

Remuneration linked to KPI: The performance review process has been aligned further with the Bank's priorities. As Environment, Social and Governance ("ESG") is an important element of our strategy, domain-specific ESG KPIs have been identified and integrated in to the Top Management's goals and is being cascaded further to the direct reportees of top management.

References:

Integrated Report 2022-23:
Sustainable Finance: [→](#) Page 175

Integrated Report 2022-23:
Governance framework: [→](#) Page 63

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

YES BANK has embedded Responsible Banking as one of its six brand pillar and has focussed on fostering a culture of responsible banking through various policies and initiatives. Through Environment and Social Policy, the Bank creates a responsible lending culture. Through Environment Management Policy, the bank strengthen linkage between employee activities and environmental impact and drive employees to take the lead in minimising waste and optimising resource consumption.

The Bank further focus on building capacity through various e-learning and classroom training modules on various sustainability topics. The Bank also rolled-out a bank-wide training module to educate its employees on the Bank's environmental goals and best practices in environmental management.

References:

Website: Sustainability



<https://www.yesbank.in/about-us/sustainability-at-yes-bank>



Integrated Report 2023-24:
Sustainable Finance:

→ Pages 194-199

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

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.

References:

Integrating E&S Considerations into Lending: Integrated Report 2023-24: → Page 196

Self-assessment summary:

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No

¹³Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.



PRINCIPLES OF RESPONSIBLE BANKING

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☒ Yes ☐ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

- KPMG Assurance and Consulting Services LLP has provided Limited Assurance to the Bank's PRB Report and Self assessment FY 2022-23 on Impact Analysis (2.1), Target setting mechanism in place (2.2), Target Implementation and Monitoring (2.3) and Governance Structure for implementation of PRB (5.1)
- There are no material changes in 2.1, 2.2, and 5.1.
- BSI Group India Pvt Ltd has provided limited assurance on " Target Implementation & Monitoring (2.3)" for FY24

References:

Assurance Statement, [→](#)
Pages 16-19, UN Principles for Responsible Banking Reporting and Self-Assessment YES BANK 2023 REPORTING



https://www.yesbank.in/pdf?name=yesbank_unep_fi_prb_self_assessment_report_fy2022_23.pdf

Assurance Statement
FY 24, [→](#) Page 538-541

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

☒ GRI ☐ SASB ☒ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☒ TCFD ☐ Other:

YES BANK publishes its integrated report in alignment with Integrated Reporting, BRSR, GRI and TCFD framework. Bank also publishes its CDP disclosure.

References:

Integrated Annual Report
2023-24: [→](#) Page 4

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

BANK will work on calculating financed emissions of its portfolio,
Links and references

BANK will work on calculating financed emissions of its portfolio.

Links and references

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritised to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritised to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- ☐ Embedding PRB oversight into governance
- ☒ Customer engagement
- ☒ Gaining or maintaining momentum in the bank
- ☒ Stakeholder engagement
- ☐ Getting started: where to start and what to focus on in the beginning
- ☒ Data availability
- ☐ Conducting an impact analysis
- ☒ Access to resources
- ☐ Assessing negative environmental and social impacts
- ☐ Reporting
- ☒ Choosing the right performance measurement methodology/ies
- ☐ Assurance
- ☒ Setting targets
- ☐ Prioritising actions internally
- ☐ Other: ...
- ☐ Data quality

If desired, you can elaborate on challenges and how you are tackling these:

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.



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